Daily Report

Latin America

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FBIS-LAT-93-186 *28 September 1993*

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Cuba

Castro Warns Against Foreign Intervention at CDR Closing

PA2709144893 Havana Radio Havana Cuba in Spanish 1300 GMT 27 Sep 93

[From the "Information Review" newscast]

[Text] President Fidel Castro closed the Fourth Congress of the Committees for the Defense of the Revolution [CDR] on Sunday, 26 September, and said the imperialist [word indistinct] to divide Cubans and promote internal conflicts that will justify a military intervention. The Cuban leader warned that foreign military intervention on the island would have unforeseen consequences because the people will fight beyond what one can imagine.

The Cuban president added that every day we notice that imperialism is taking steps in its strategy to weaken and demoralize the revolutionaries. As an example, he mentioned the incitement to commit crimes, vandalism, and antisocial activities that are closely linked to counterrevolutionary activities. These trends against the nation abetted by the enemy ought not discourage us, the leader of the revolution said, adding that imperialism did not think Cuba would be able to resist one year or even six months, yet almost four years have passed since the collapse of the socialist bloc.

Fidel Castro affirmed that the people need more courage, valor, and fortitude in view of all the economic problems they are facing, although times are harder than in the 1960's when the CDR was created, a group that now has 7 million Cubans. He said the country will face material problems with courage and intelligence and cited as evidence of this the reduction in the infant mortality rate of 9.3 per every 1000 live births so far this year. There were also a record 445,000 voluntary blood donations.

This is (?proof) of the our people's spirit of solidarity and humanitarianism, the Cuban president noted, adding that no revolution carried out greater projects or had a greater spirit of humanitarianism or solidarity than this one, hence the enormous admiration it inspires in other peoples of the world, who encourage us to move ahead, Fidel Castro said. The final session of the CDR Fourth Congress, closed by President Castro, was held in Havana following a similar process in the provinces in view of the limitations imposed by the special period. That situation made it possible to take a more local approach to analyzing today's most (?pressing) topics; namely, the defense of the revolution and ways to cope with crime.

Further on Closing Speech

FL2709153393 Havana Radio Rebelde Network in Spanish 0900 GMT 27 Sep 93

[Text] Yesterday, Commander in Chief Fidel Castro Ruz, first secretary of the Central Committee and president of the Councils of State and Ministers, closed, here in this capital, the Fourth Congress of the Committees of the Defense for the Revolution [CDR]. He said there is a great difference between the situation prevailing in 1960, when the CDR's were created, and that prevailing today.

[Begin Castro recording] ....a very important idea. If today, we had the type of trade we had in 1961, we would not be having many of the problems we are having today, irrespective of the collapse of the Socialist Bloc. We sustained the heaviest blow because at least with the Socialist Bloc, with the USSR, we had exchanged sugar for oil. That happened in 1961. As the USSR disappeared, that trade was abruptly discontinued along with credits, supplies, and many other things. This situation led our economy to such a difficult situation. [end recording]

While the USSR existed and we maintained relations with the Socialist Bloc, we were able to defend ourselves against the blockade, the leader of our revolution said.

[Begin Castro recording] ....a blockade that is today causing us far greater damage because we do not have anyone to rely on to fight it, because today, we lack the resources and the solidarity extended to us by the Socialist Bloc, especially by the Soviet Union.

The blockade used to hurt us and it has caused us a lot of damage in 30 years. Yet, the blockade is dealing us the most terrible damage at this time when it has intensified, when the world's hegemonic power is enforcing it, when this blockade is being enforced under new conditions, when we can no longer count on those factors which had aided us so much in our struggle against imperialism and its blockade. [end recording]

Urges 'Discipline'

FL2709184393 Havana Radio Progreso Network in Spanish 1100 GMT 27 Sep 93

[Text] The speech delivered yesterday by our commander in chief at the closing session of the Fourth Congress of the Committees of the Defense of Revolution [CDR] at the Jesus Garay Theater in Guanabacoa Municipality will be broadcast tonight at 2030 over Cuba Vision television. The speech will be rebroadcast tomorrow at the same time during the "This Very Day" program.

Alluding to the shield represented by our people in any battle against Yankee imperialism.

[Begin Castro recording] I only want to tell you that the Revolution must be more intelligent than imperialism, that the Revolution must be more intelligent than its enemies. The Revolution must be prepared to deal with

anything the enemies could do, and understand that each of the things they do is because [words indistinct], and what their objective is. One of their main objectives is to divide us. This is why it is so important for us to be united, and to keep discipline and cohesion within our ranks.

The imperialist strategy is of course to divide, to promote internal conflicts that they can use as justification for a military intervention in our country. [Words indistinct] the disastrous consequences this would bring because we are naturally going to fight, and we are going to fight [applause] beyond limits that anyone could possibly imagine.

We are going to fight against mercenaries, against expeditions, against invasions, whether imperialistic or not. Life is teaching them that it is not so easy to seize a country and to crush it. [Words indistinct] own arrogance, is an example of the limits of the force of imperialism. We may state....[rephrases] we know our people, we know about their qualities, [words indistinct] those who under any pretext may attempt to intervene in our fatherland . This is why I said that many things are at stake here, not only the independence, the Revolution and the achievements of socialism, but the very existence of our country.

Revolutionaries will never resign themselves to becoming again a Yankee colony, they will never resign themselves to having our territory occupied by Yankee or other foreign troops. There is sufficient pride and sufficient heroism among us, and we have a sufficiently high number of revolutionaries to be able to defeat such enemies, using the appropriate means and tactics, should they attempt to seize our country in this way.

They are, however, waging this war to weaken us politically, to demoralize, and to divide us. This is the strategy followed by imperialism and its agents within the country. In light of each of these maneuvers, we have to promote awareness, a high degree of awareness. We have (?to avert), we have to uncover, and we have to denounce each of these steps and its consequences. We have become aware that [words indistinct] has been intensifying acts of vandalism, that has been instigating acts of vandalism. We have become aware that the enemy has been promoting vandalism, that it has been promoting antisocial actions [passage indistinct] and with these actions associated to counterrevolution [passage indistinct] that cause a tremendous damage to the economy, to the distribution of products, against which it became necessary for us to take action at all times and to win that battle. [end recording]

National Executive Secretariat Introduced

FL2809015093 Havana Cuba Vision Network in Spanish 0030 GMT 28 Sep 93

[Presentation of leadership at the closing session of the Fourth Committees for the Defense of the Revolution Congress on 26 September in Havana—recorded]

[Excerpt] [Passage omitted] Following an assembly process at the base and municipalities, the sessions of the Fourth Committees for the Defense of the Revolution [CDR] Congress were held in every province and the special municipality of Isle of Youth. Among other tasks, the new 79-member leadership, out of a pool of 14,000 worthy comrades, was selected by secret vote. The first task of this leadership was to select the National Executive Secretariat of the CDR.

Please stand before the dais as your name is read.

Ratified as professional members of the National Executive Secretariat:

Division General Sixto Batista Santana, as National Coordinator.

Vicente Pineda Vassallo, as National Vice Coordinator.

Juan Aizpurua Rodriguez, as secretariat member to oversee the economy and services.

Gustavo Guevara Medina, to oversee ideological and educational affairs.

Alcenio Fundola Echemendia, to oversee CDR-FAR [Revolutionary Armed Forces] affairs.

Jesus Borje, to oversee vigilance affairs.

To promote to nonprofessional members of the National Executive Secretariat:

Roger Mastrapa Perez, CDR coordinator in Las Tunas Provinces.

Julio Cesar Bolmai Felipe, CDR coordinator in Havana City Province.

Gabriel Albizar Rojas, CDR coordinator in Matanzas Province.

Gustavo Matamoros Avello, CDR coordinator in Pinar del Rio Province.

Noelio Portal Ortega, CDR coordinator in Cerro Municipality, Havana City Province.

Graciela Perez Hernandez, counselor in Artemisa Municipality in Havana Province.

Ivette Torres Calballoza, secretary of ideological organization in Cueto Municipality, Holguin Province.

This is the National Executive Secretariat. [passage omitted]

Castro Attends First National Scientific Hubs Meeting

FL2709213093 Havana Radio Reloj Network in Spanish 2003 GMT 27 Sep 93

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, is attending the First National Scientific Hubs Meeting being held in

Havana's Convention Center. The event, in which over 200 specialists from the most diverse fields are participating, is an exposition of the experiences of the 13 scientific hubs in Cuba and the significant results achieved in prioritized programs in the last two years. The meeting was inaugurated by the president of the Cuban Sciences Academy.

Marta Alejandrina, a participant from Pinar del Rio, pointed out the efforts conducted in that scientific hub on the uses of pine foliage. Manuel Dominguez, from Las Tunas, stressed that provincial scientists have developed a high quality sugarcane from new varieties.

Ω Government Source Clarifies Statements to Castro

93P20354A

[Editorial Report] Santa Fe de Bogota EL TIEMPO in Spanish of 31 August 1993 on page 8A reports that, according to a government source, President Gaviria did not tell Castro that Cuba's problem is basically the economy, but rather that "economic solutions alone will be insufficient if no political changes are made." The source also explained that Gaviria invited Castro to Colombia while at the Ibero-American Summit in Brazil, and that the date for the visit was set when the two met in La Paz. The article says that, according to a National Radio Network report on 30 August, Gaviria told Castro: "If you want to change the U.S. attitude toward Cuba first you must change yourself and second do not wait for President Clinton and the U.S. Government to do something; instead approach Congress, the press, and universities."

Robaina Comments on UN Session, Departs New York

FL2709143593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 27 Sep 93

[Text] Today, Cuban Foreign Minister Roberto Robaina departed for New York to attend the 48th session of the UN General Assembly. Reporter Ruben Pino has more details for us from the Jose Marti Airport.

[Begin recording] [Pino] At 0845 this morning, Cuban Foreign Minister Roberto Robaina departed for the United States at the head of part of the Cuban delegation that will be attending the 48th session of the UN General Assembly. Shortly before departing, Robaina made exclusive remarks for this newscast.

[Robaina] We have solid reasons to make Cuba's voice, which after all is our truth, with its positive and negative aspects, prevail to measure up to the merits, the effort, and to the sacrifice of our people. It is true that we will have to engage in a great deal of arguments, but we will be in no way intimidated by the attacks that may come against Cuba.

I believe that aside from the fact that there is a gigantic campaign against us, we have many more friends around the world than those who are dedicated to detracting from us or focusing on our shortcomings.

As far as human rights are concerned, we have many more achievements to show than the demands they are making on us. Regarding the UN democratization, I fully support a BOHEMIA article published a few hours ago, that the United Nations should not be just for one, but that it should be for all. We must all work to make the United Nations work this way.

Regarding the blockade, I believe I am carrying our people's truth, the truth about an effort that should be made known to the world, about how much a brutal action such as the blockade is jeopardizing our country's development at such a difficult time. Before the collapse of the Socialist Bloc, we were able to face up to the blockade with difficulties. Now, in light of the disappearance of the Socialist Bloc, it has of course become much more complicated to undertake this task. [end recording]

Central Army Vigilante-93 Exercise Held in Villa Clara

FL2809015893 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 28 Sep 93

[Text] As part of the activities of the second phase of military training in the Central Army, special exercise Vigilante-93 was held. Its goals included perfecting the territorial Unified Scouting System; training troops, groups, and command and control leadership in the fulfillment of missions under diverse conditions; and reviewing the combat readiness of the participating units. The Special Operations Battalion participated in the three-day maneuver in Villa Clara and once again demonstrated its dexterity in confronting the enemy. Members of the territorial militia also participated as part of defense day activities.

The Vigilante-93 military exercise was lead by the Central Army General Staff and supervised by the national leadership, who characterized its performance as positive.

DPRK Provides Aid in Constructing Guantanamo Reservoir

FL2709195193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 26 Sep 93

[Text] The ministerial commission supervising the priority programs being carried out in Guantanamo described as good the work of the first phase of the Toa-Duaba waterpower complex, the most important work of its kind to be built in Cuba. This complex will include a dam, [words indistinct] and seven km of tunnels. These reservoirs will permit the exploitation of two hydroelectric power plants with a joint capacity of 360 megawatts and will save the nation 148,000 of oil [words indistinct]. The DPRK is collaborating in building the Toa-Duaba Complex, supplying technical advice and the principal equipment.

The first phase of the investment includes roads and an access bridge, as well as the excavation of the entrances to the tunnels, which, as of next (?Friday) [passage indistinct].

Dominican Police Arrest Cubans Trying To Go to Puerto Rico

PA2709163493 Madrid EFE in Spanish 2204 GMT 26 Sep 93

[Text] Santo Domingo, 26 Sep (EFE)—A group of 20 Cubans, including three children of two, four, and 13 years of age and an old man of 70, were arrested on the eastern Dominican coast while they were attempting to secretly travel to Puerto Rico in a small outboard motorboat, police reported on Sunday.

The group was apprehended as they were boarding the boat and were taken to Police General Headquarters in this capital for questioning.

The Cubans are in Dominican territory with temporary residence permits granted to Cubans who request asylum or seek refuge in the country.

Last Friday a group of Cuban dissidents who had occupied the Mexican Embassy for eight days to pressure authorities into allowing them to enter the United States accepted a proposal by Dominican President Joaquin Balaguer to be transferred to a suburban resort until a definitive solution to their case could be found.

The 72 Cubans, including 24 minors and 16 women, arrived in Dominican territory as refugees last April after they were forced to go ashore in Grand Cayman when the boat in which they had left Cuba for Miami experienced mechanical problems. From there they were flown to Santo Domingo.

Roundup of Politburo Members' Activities 21 Sep to 27 Sep

FL2709204793

[Editorial Report] The following is a compilation of fileworthy reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba [PCC] carried on Havana radio and television in Spanish between 21 and 27 September.

Radio Rebelde at 2300 GMT on 21 September reports that Pedro Ross Leal congratulated Las Tunas workers for earning the right to host the cattle industry Workers' Day ceremony.

Radio Rebelde at 0900 GMT on 22 September reports that Pedro Ross sent a message to Las Tunas Agricultural and Forestry Workers Union workers congratulating them on their selection as host to the organization's national ceremony.

Radio Reloj at 1930 GMT on 22 September reports that Alfredo Jordan called on Cienfuegos workers to speed up creation of Basic Production Cooperative Units. The same newscast reports that Pedro Ross Leal addressed the first technical fishing industry forum.

Radio Rebelde at 0900 GMT on 23 September reports that Alfredo Jordan Morales is explaining the principles of the Basic Cooperative Production Units in Camaguey Province. Nelson Torres is performing a comparable task in Villa Clara Province.

Radio Rebelde at 1700 GMT on 24 September reports that Ricardo Alarcon de Quesada visited Electoral District 22 of the Libertad People's Council in Marianao Municipality, Havana City Province, where he said that talent, intelligence, and creative initiative are decisive elements in the process of giving one's constituents a progress report.

Radio Reloj at 1944 GMT on 24 September reports that Alfredo Jordan and Nelson Torres presided over working meetings in Las Tunas Province that were attended by top provincial leaders. These meetings were designed to arrange details about the upcoming creation of Basic Cooperative Production Units. The report adds that the first two units will be created on 29 September under the Sugar Ministry in Las Tunas Province.

Tele Rebelde and Cuba Vision at 0000 GMT on 25 September report that Pedro Ross Leal attended the Eighth Science and Technology Forum at the Ministry of the Fishing Industry.

Radio Reloj at 1614 GMT on 25 September reports that in honor of the meeting of the Fourth Congress of the Committees for the Defense of the Revolution in the city of Havana—which is to be held on 26 September—approximately 40 public works construction sites in Guanabacoa Municipality, Havana City Province, were declared finished. The ceremony was held at the Johnny Gomez Reynoso Dental Clinic and presided over by Jorge Lezcano, first secretary of the Communist Party of Cuba in the capital, and Pedro Chavez, member of the Central Committee and president of the Provincial Assembly of the People's Government.

Tele Rebelde and Cuba Vision at 0000 GMT on 26 September reports that in Guantanamo, Sugar Minister Nelson Torres and Agriculture Minister Alfredo Jordan stressed that the Basic Cooperative production Units are not a magic formula to solve the problems of state agriculture.

Radio Rebelde at 1700 GMT on 27 September reports that Esteban Lazo attended the arrival of the Jamaican cruise ship that will dock three times a week in Santiago de Cuba. It is further reported that Jose Ramon Balaguer opened the Conference on Education for Health in Havana, where he stressed that health is mankind's most important resource.

Haiti

Army Claims Alleged 'Secret Agreement' Not Binding

FL2809013593 Port-au-Prince Radio Metropole in French 2200 GMT 27 Sep 93

[Excerpt] [Passage omitted] Mr. Malval also pointed out that he was ready to allow former Haitian President Jean-Claude Duvalier, who is living in exile in the southeast of France, to return to Haiti. If the Duvalierists wish to create a political party within the bounds of the law, it would be good for the country and I would encourage that, Malval said.

The Haitian prime minister also confirmed the existence of a secret agreement appended to the Governors Island national reconciliation agreement, providing for the departure of some military chiefs for diplomatic posts abroad. An agreement was reached, but I cannot provide any details. Mr. Malval simply said that some high ranking military chiefs might go abroad.

The Army has issued a press release on the evening of 27 September denying Mr. Malval's statements. The note reads: Following Prime Minister Robert Malval's statements to NEWSWEEK, and reported by other press organs, about a secret agreement annexed to the Governors Island agreement and providing for the departure of some military chiefs to diplomatic posts abroad, the General Command makes a point of explaining to both national and international opinion that it is not aware of the existence or the contents or of the signers of such a document. Consequently, this secret agreement is binding only on its possible signatories, unquote [no opening quote as heard]. The press release was published this evening by the Army in response to the statements made by the Haitian prime minister to the U.S. magazine NEWSWEEK.

Malval Meets With Army, Departs for Dominican Republic

FL2709164193 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Sep 93

[Excerpts] During a news conference held on 25 September before his departure for a 48-hour visit to the Dominican Republic, Prime Minister Robert Malval explained his government's position on several current issues. Malval said that no armed forces would land in Haiti. The following is a report by Nirvah Massillon.

[Begin recording] The forthcoming deployment of the mission for cooperation and technical assistance to Haiti, President Aristide's safety, and the insecurity that prevails in the country were on the agenda for a meeting that Prime Minister Malval had with the High Command of the Army less than one day before his trip to the Dominican Republic. This is his first trip since taking office as prime minister of the government of concord.

The head of the government of concord talked with the Army general staff about these various points, according to what the prime minister said during a news conference held on 25 September in his home. Some see it as foreign occupation; others as a peace-keeping force, and still others as a mission for cooperation and technical assistance. In his opinion Robert Malval said that actually Resolution 867 takes a peace-keeping force into account, according to the jargon of the UN Security Council. However, the UN Mission in Haiti [MINUHA] will be nothing but a technical assistance mission. [passage omitted]

The only equipment that MINUHA will have are two vessels with building materials and several helicopters for quick trips. The members of this mission will not be authorized to wear weapons in the streets, in the hospitals, or in the public places. Furthermore, Malval said that his government would never give its support to an occupation no matter what the form. So, jointly with the press, the government will be able to control MINUHA's equipment. [end recording]

Malval To Meet With Dominican President Balaguer

FL2709195093 Port-au-Prince Signal FM Radio in French 1030 GMT 27 Sep 93

[Text] Haitian Prime Minister Robert Malval arrived in the Dominican Republic at 0130 PM on 26 September. He was welcomed at the Santo Domingo airport by Foreign Minister Juan Aristides Taveras and Haitian Ambassador to the Dominican Republic Guy Alexandre. Malval is scheduled to talk with Dominican President Joaquin Balaguer.

Prime Minister Malval is accompanied by Ministers Claudette Werleigh of foreign affairs, Victor Benoit of national education, and Louis Dejoie of commerce [and industry]. Commerce [and Industry] Minister Louis Dejoie gave us his opinion before leaving his country:

[Begin recording] ...accompanying the prime minister, a governmental delegation is going to resume contacts with Mr. Balaguer's government. We hope this meeting will be fruitful because we have so many things in common with the Dominican Republic. As the embargo is now lifted [as heard] and a constitutional government has been set up, we are going to explore with the Dominican Government how we can achieve better integration in our social, cultural, and political relations. [end recording]

[Words indistinct] in the neighboring country. The Haitian delegation will meet with President Balaguer and members of his government, political leaders, representatives of the commercial and industrial sector, and members of socioprofessional organizations. The choice of the Dominican Republic as the first country to be visited by Prime Minister Robert Malval symbolizes the desire of the constitutional government to normalize relations between the two countries. This first meeting

will lay the foundations for better cooperation between the neighboring countries, for a redefinition of relations, and for the prospects of a cooperation that takes into account the mutual interests of the two republics that share the sovereignty of the island.

Prime Minister Malval will leave the Dominican Republic on 28 September to travel to New York, where he will meet with U.S. Secretary of State Warren Christopher. The two men will discuss the general situation of the country and the evolution of the process of Aristide's return to Haiti on 30 October.

Finally, Prime Minister Malval will speak at the 48th session of the UN General Assembly. He will return to the country in the first days of October, whereas the ministers accompanying him to the Dominican Republic will leave that country on 29 September to return to Port-au-Prince. This note was issued by the office of the prime minister and signed by Emile Jean-Baptiste, spokesman.

Costa Rica

Government Establishes Ombudsman's Office

PA2809034793 San Jose LA REPUBLICA in Spanish 18 Sep 93 p 2

[Report by Jose Alberto Briceno]

[Text] Both President Rafael Angel Calderon and Ombudsman Rodrigo Alberto Carazo on Friday expressed the desire that the Ombudsman's Office be an institution through which the Costa Rican people can defend their rights.

During an event to announce the establishment of this office, which was held at the National Theater and was attended by state officials, Carazo said: "An opportunity is being offered today for the people in general to actively, and even belligerently, demand their rights."

Carazo said there can be perceived in Costa Rica and the world an increasing gap between the people and the government, as well as "lack of credibility in government officials and even the system."

He added that the establishment of the Ombudsman's Office responds to a current necessity. "We will strive to introduce in the government apparatus stances and procedures based on the spirit of initiative."

Carazo encouraged the people's participation in the Ombudsman's Office activities, and said the institution, which is created as an instrument and not as an end in itself, emerges as the voice that will attend to and represent those who have not been heard.

President Calderon said this institution is born at the most opportune time in Costa Rica "to advance in the protection of the people's rights and interests against the negative actions of the state apparatus and public services."

He also said: "Without underestimating the state's role in the social and economic life, the international system's new realities and the national experiences invite us to strengthen the civil society and move forward regarding the people's development."

He said that, although the Ombudsman's Office recommendations are not binding, they will become a moral instrument of pressure to guarantee greater speed and efficiency in the Costa Rican public sector.

The event was also attended by Deputy Ombudsman Joyce Zurcher de Carrillo and rendered pleasant by the performance of the Castella Conservatory's chamber orchestra.

The Ombudsman's Office is in charge of pointing out the public officials' omissions and actions that harm the rights and interests of the people.

Foreign Trade Minister on Trade With U.S., Labor Laws

PA2809013693 San Jose LA REPUBLICA in Spanish 18 Sep 93 p 14

[Report by Wilmer Murillo]

[Text] Roberto Rojas, minister of foreign trade, and Carmen Suro-Bredie, assistant U.S. trade representative for Latin America, have coincided in their opinion that considerable progress was achieved in the negotiations carried out for two days to open the U.S. market to local products.

The talks were held within the framework of the fourth meeting of the Bilateral Council on Trade and Investment, but they were the first talks held with officials of Bill Clinton's Government.

Special emphasis was given in the talks to the issue of Costa Rican labor unions' charges concerning the alleged violation of labor rights in the country, which has resulted in a lawsuit from the AFL-CIO. If the lawsuit is successful, Costa Rica would be deprived of tariff benefits, the CBI [expansion unknown], and the Preferential Tariffs System.

Minister Rojas yesterday said Suro-Bredie's office can submit a recommendation to President Clinton for the elimination of those privileges. "And we do not have to add or subtract much to realize the impact this decision would have on Costa Rican trade, because 45 percent of our exports are sent to the United States, he emphasized. [no close quotation mark as published]

These initial negotiations will be strengthened next week in Washington, "because we believe the issue was not well understood, particularly the differences we have on how to protect the workers."

He said the United States wants to implement norms that, although justified in that country—where there are no laws to protect the workers (hence, the need to create labor unions)—they are not necessary in Costa Rica, where a pension law exists. Nevertheless, U.S. labor unions helped Clinton reach the presidency and they represent an important group making demands which now include the Costa Rican workers.

When Costa Rica received these tariff privileges it also pledged to fulfill certain parameters dealing with intellectual copyright, human rights, strengthening of democracy, and the exchange of information on technical and health problems to facilitate trade.

Although progress has been achieved in all those cases—they are considered obvious for a country such as Costa Rica—there are still differences on views that should be settled, he said.

Nevertheless, Rojas said that, since considerable progress has been achieved in the negotiations to open the U.S. market for poultry and to attain treatment equal

to the one the Mexican textile industry will receive with the Free Trade Agreement, Costa Rica is willing to step up the approval of various bills still pending in the Legislative Assembly to settle the controversy.

Guatemala

De Leon Calls For Referendum on Purge

PA2709184993 Guatemala City Teleonce Television in Spanish 0300 GMT 27 Sep 93

[Speech by Guatemalan President Ramiro De Leon Carpio in Guatemala City; date not given—live or recorded]

[Text] Dear fellow citizens: We must now live a very difficult but important phase of our history. Despite the impatience of many, we Guatemalans must congratulate ourselves, because we are struggling to achieve a true participative democracy amid the conflict, immaturity, lack of seriousness, and destabilization dangers confronting the country.

The process has already started. The Guatemalan people should feel pleased for being part of this change, for making history. As president of the Republic, as the representative of national unity I am pleased to be part of this transformation.

There are processes in history that never stop. We Guatemalans have gained awareness as citizens, gained opportunities to participate, and have said to impunity and corruption—We have had enough. We Guatemalans realize that the purge of state organizations not only implies the resignation of deputies from Congress and magistrates from the Supreme Court of Justice, it does not imply only a change of people but the start of a transformation of our society, a change of its structures. This must be strengthened, however, by a change in our attitude and mentality.

The true meaning of the purge involves a validation of the sovereign power of the Guatemalan people, who have delegated this power to be exercised in the interest of the people's interests, and in doing so, they ensured legitimacy and representativeness. That mandate, in certain cases, has been exercised to obtain personal benefits through illegal actions and actions that are contrary to the interests of the Guatemalan people. This has distorted the mandate bestowed on them and made them lose their legitimacy. As a result, the power delegated by the people has been misused; it has been used for personal benefit at the Congress of the Republic and Supreme Court of Justice. The people, through their demands and by rejecting impunity and corruption, are at last settling accounts with them.

The purge, more than a legal act, is a commitment of dignity demanded by a people who deserve to believe in and trust state organizations to lead to open and frank participation. The purge is an act of political determination that allows us to show how common interests and national stability must prevail over personal interests to attain our country's democratic consolidation.

We must understand that society has irreversible natural dynamics. We must understand that substantive transformations require firm decisions and solutions that are not easy to achieve. We Guatemalans have managed to advance, however, with firm steps while looking ahead with new forms of struggle and participation, with a different formula of political coexistence. Above all, we have achieved, however, this without bloodshed. This was expected of a people, who, although long suffering, are courageous and dignified.

Guatemala cannot keep itself out of world developments while it sees countries such as Israel and Palestine sign peace agreements and how corruption was sufficient reason to tidy up administrations, as was the case in Brazil and Venezuela.

These actions have demonstrated the people's sovereign power. The important thing about a crisis is that it generates new opportunities. We must accept that the people of Guatemala are not ready to let this opportunity pass them.

I am aware of the urgent need to respect the people's will, in the sense that we must purge state branches, but I disapprove of the actions of certain groups that are interested in disrupting public order to create anarchy and confusion. These are not the procedures that must be used; therefore, to protect citizens' security and in case of need, I will adopt the adequate measures to maintain public order.

The country's political, economic, and social situation demands that state branches work under principles of honesty, openness, capacity, and legitimacy in reconstructing and reconciling our country. As president of the Republic and aware of the high responsibilities this office entails, I cannot allow the state's institutional and constitutional structure to be broken.

The people and president have patiently awaited that this crisis be solved under the goodwill and commitment of those who have in their hands the prompt and honorable solution to the crisis. My attitude has been prudent, cautious, and flexible, but at no time has it been other than my decision of continuing this process of transforming the state.

Different incidents have occurred since I delivered my last message to you on 26 August, one month ago, but the most important and positive thing is that the clamor of the people of Guatemala, which I as president conveyed to the legislative and judicial branches, has generated discussion in those branches. They have discussed topics ranging from self-purge to constitutional reforms and resignation of the deputies. Most Congress deputies are

analyzing the actions they will have to undertake, within a specific period, to offer an effective and specific response in this regard.

The people and government expect that the actions they will devise will allow this institutional crisis to be resolved immediately and honorably, because one of the main affects of the 25 May events was the formal and written commitments of political parties to execute a purge of the members of Congress, which was to be done to consolidate the restructuring of constitutional order and recomposition of the state branch.

The virtual inactivity of the Congress of the Republic severely affects the country's legislative function, democratic process, stability, and institutionality. It also has an adverse impact on the very structure of the state; in addition, the people of Guatemala have demanded in many ways the purge of the Supreme Court of Justice as a way to fight corruption and impunity in the country.

The frequent demands made by different sectors and institutions calling for the voluntary resignation of the deputies to the Congress of the Republic, which implies a significant political decision, and the Supreme Court justices as a specific way to solve the problems of state branches, as well as their refusal to do so, regardless of assuming a public and legislative commitment to the effect in the case of deputies, represent an institutional crisis of serious implications. Such crises should be resolved through a consultation process.

Therefore, as president of the Republic, as head of state representing national unity, in other words, as representative of all Guatemalans and also as representative of the Guatemalan people's interests, I have made a government decision based on the authority bestowed on me by the Guatemalan Constitution. I have asked the Supreme Electoral Tribunal to call a referendum to consider the population's general feelings. I will present a formal request to that Tribunal on 27 September.

The referendum is a procedure established by the Constitution. In this case, it is a mechanism to purge the legislative and judicial branches through democratic means by consulting the people, who will reply yes or no when called to a referendum. The results of that referendum must be respected by those government branches as a superior mandate from the people, who in exercising their sovereignty will enforce their authority in a political decision of great importance.

Naturally, the call for a referendum will not exclude positive actions deputies may carry out as of this moment including, of course, legal and constitutional reforms that a group of deputies has been proposing during the past few days.

In the meantime, parallel to the call for a referendum, I will be presenting a draft bill on constitutional reforms offered before, which should be considered part of this reorganization process, which should not be merely a change of people but which should enable us to advance in making the necessary transformations in state institutions.

We are aware of the changes demanded by society at the international level. Some are demanding those changes based on their ideology, others as a struggle against corruption. In the case of Guatemala, it is significant that the political transformation we have initiated is occurring within a legal framework and with absolute respect for constitutional order.

Guatemalans have a responsibility we must share among all. I urge all Guatemalans to assume a civic and patriotic attitude to change our society. We must act firmly but with maturity, with good sense and serenity

Guatemalan people, I will not yield until your sovereignty is respected, as part of a process to lay the foundations to achieve the ideal of a better Guatemala. In that sense, I reiterate I will adopt the necessary measures to preserve public order and to guarantee citizens' security, as, first of all, I am committed to you, the Guatemalan people.

Finally, I want to tell you I have assumed the responsibility of struggling against corruption and impunity. I am aware of the risks that this entails, but I am also convinced I am not alone in this crusade, and I will never be, because a president who trusts God and has the people's support has everything. Thank you and good evening.

Electoral Tribunal Asked To Convoke Referendum

PA2809011393 Panama City ACAN in Spanish 2342 GMT 27 Sep 93

[Text] Guatemala City, 27 Sep (ACAN-EFE)—Guatemalan President Ramiro de Leon Carpio today asked the Supreme Electoral Tribunal (TSE) to convoke a referendum to conduct a purge of the Legislative and Judicial Branches.

Ramiro de Leon Carpio gave TSE President Fernando Bonilla the request to convoke the referendum, which he justified as "a state decision" to "heed the people's demands" for a purge.

Citizens will be asked two questions on the referendum. They will be asked if they support the president's request for the resignation of 116 Legislative Assembly deputies and nine Supreme Court of Justice magistrates.

Magistrate Fernando Bonila explained the TSE has eight days to issue a ruling on the president's request. Various political groups have stated the president's request is unconstitutional.

Congress President on Referendum

PA2709235593 Guatemala City Teleonce Television in Spanish 1900 GMT 27 Sep 93

[Interview with Jose Fernando Lobo Dubon, president of the Guatemalan Congress and member of the Guatemalan Christian Democracy, by unidentified reporter on 27 September; place not given—recorded]

[Text] [Reporter] [Words indistinct] proposal presented by the president on Sunday night in which he said that a referendum will be called and that at the same time he is going to implement [words indistinct]?

[Lobo Dubon] I believe this is within the framework of what he has been saying, telling the people. In overall terms, we agree with the referendum as long as we are informed of what we will be voting on. In other words, all the president did last night was announce that he will call a referendum, however, he did not explain what we will be voting on. All we are doing is waiting for him to explain, clearly, what we will be voting on and as a political party we will then state our official position regarding the referendum. We will probably state our position in the next few days; probably on Wednesday.

[Reporter] Regarding this message, the deputies that make up the Group of 70 have said that the referendum may be unconstitutional because the president of the Republic cannot call such a referendum. They describe the call as interference in the duties of another state branch. What do you think of this?

[Lobo Dubon] Well, I believe that the people of Guatemala have been asking for this referendum. They want to be asked their opinion on the important national topics. I believe that it should be held. We agree with the referendum and we have said this from the very beginning. For the moment the president mentioned the famous referendum we said that we agreed that it should be held. However, I would also like to make it very clear that it should be announced, as soon as possible, what we will be voting on. We wish to know what it is that the president wants the people to vote on. We believe this is very important in light of the fact that many matters have been mentioned. In the past few weeks all we have heard is talk about the Congress; much has been said about the Congress as if all the country's matters are handled by the Congress. On several occasions we have said that we not only need to reorganize the Legislative Branch but also the two other branches of state. Above all, we have asked that the basic problems of the people be dealt with, especially the economic problems confronted by all the people of Guatemala as well as the health and security problem. What we have heard is that a referendum will be held, but we do not know what we will be voting on.

I repeat, the Guatemalan Christian Democracy [DCG] agrees that a referendum should be held. We have said this publicly and we have said this on many occasions. I reiterate this on this occasion. We are also waiting to see what we will be voting on. It is necessary that the people know what they will be voting on.

[Reporter] What do you think this referendum should include?

[Lobo Dubon] I will not comment on that because the DCG will state its position on this matter at the appropriate time. The DCG will state its position as soon as it learns what the president will be putting up for a referendum. We are in permanent session currently and we have our own ideas of what should be done. We have our own interpretation of the Guatemalan social, political, and economic phenomena and as a political party we will state our ideas on what the referendum should include.

[Reporter] What is your opinion of the constitutional reforms?

[Lobo Dubon] Well, the problem is that [words indistinct] much confusion because there is no leadership in this process of consultation, in this process of reform. We are not clear as to what it is they wish to do; there is no leader, which in this case should have been the president, to tell us what is needed. What we have seen is how the various sectors, as well as some private citizens, have presented varied proposals that also include changes to the Constitution. It is evident that constitutional changes are pivotal for structural changes of the state. In any case, what we want to know immediately what the president is going to ask us to vote on.

[Reporter] Is it possible that the constitutional changes will be made at the same time the referendum is held?

[Lobo Dubon] This is a truly complicated process, it could create much more anarchy than we are currently experiencing. I believe we should clarify this whole situation. I believe we must wait to learn what we will be voting on. This is basic and last night we were not told what we will be voting on. As I said earlier, we agree with a referendum because this means that the people of Guatemala will be asked their opinion on what is needed to reorganize the country in general. However, we also know that a constitutional reform, parallel to a referendum can only create chaos and total anarchy. It would create a state of misgovernment that would make it impossible to establish the important guidelines that are necessary to solve the country's problems and, what is even more serious, the economic situation would continue to worsen and the economic indexes, which are already indicating that the economy will be the country's biggest problem because of the crisis we are experiencing, will simply get worse and by December the Guatemalan people's purchasing power will be much lower than today.

[Reporter] Does the DCG believe the 116 deputies should resign?

[Lobo Dubon] Yes we believe they should. We have stated our opinion on this on several occasions. We were

the first to abide by the procedure established by the Constitutionality Court. I have in my hands the document signed by the DCG deputies and other independent deputies who agree that this is what should be done in order to begin the reorganization of the state. However, we have seen that the deputies who sought the president of the Republic's protection now have a package of constitutional changes, which they did not draft. It seems that Francisco Villagran Kramer was the one who drafted those constitutional reforms that we suggested 18 months ago when we saw that the political system was showing signs of wear and tear. In the overall picture there is nothing new to see. All we have is that the president has finally decided to call a referendum. We are pleased with this, but we want to know what we will be voting on.

[Reporter] How much money will have to be invested in this process?

[Lobo Dubon] I do not think it will be that complicated. I am not the most qualified to discuss the matter. We would have to ask the honorable members of the Supreme Electoral Tribunal how long it would take to organize such a referendum as well as how much it would cost. I do not see any problems in that sense. It has been said that the people of Guatemala cannot decide on changes because there is a certain degree of illiteracy, but that can be easily corrected. A color code can be used in a referendum. A specific color would mean such and such a thing, and another color such and such another. In any case, I believe that the participation of the people of Guatemala is important. It is what they are asking for. If the people wish to participate in the decision-making process they have a right to do so and all this does is strengthen democracy.

URNG Accepts Quezada Toruno's Peace Proposal

PA2709172993 Guatemala City PRENSA LIBRE in Spanish 24 Sep 93 p 4

[All quotations marks as published]

[Text] The Guatemalan National Revolutionary Unity (URNG) yesterday accepted a proposal by Monsignor Rodolfo Quezada Toruno and asked the government to abandon the idea of proposing its peace plan to the UN General Assembly.

According to a fax sent to the PRENSA LIBRE editorial office, the guerrilla leadership is willing to participate in a serious and calm process that will lead to a just and democratic peace. The URNG leaders also expressed their willingness to heed Msgr. Quezada Toruno's call.

They added that Quezada Toruno's proposal "encompasses the problems that have led to an impasse in the negotiations. Consequently, it urges the government and civilian sectors to take the necessary steps to resume the peace talks.

They further stated that another interesting aspect of the monsignor's initiative is for each party to assess the need to change the Mexico Agreement (April 1991) and the Oslo Agreement (March 1990) so the negotiations will be open to the media, so civilian sectors will be allowed to participate, and so the United Nations be included as a mediator in military issues.

Msgr. Quezada Toruno made a series of suggestions on Tuesday to rescue the negotiating process. The first step would be a preliminary meeting, the agenda of which would be agreed upon by Quezada Toruno and each of the parties in separate meetings.

Honduras

Deputies React to AID Pressure on Electoral Process

PA2709133093 San Pedro Sula TIEMPO in Spanish 22 Sep 93 p 6

[Text] Tegucigalpa—Yesterday, Deputy Carlos Flores said that AID pressure on the National Electoral Tribunal (TNE) is improper, because "no one should come from outside to tell us what to do and what not to do." The TNE learned on Monday that AID had made its economic aid conditional upon a true purge of the voter registration list.

Leonardo Godoy, another Liberal Party deputy, contradicted the former presidential candidate and said that AID is behaving properly, but it is still shameful for the country. "It is shameful that outside pressure is needed to clean up the filth. There must be pressure, because these fools have historically ignored the nation's internal cries," he said.

Flores Facusse said "the TNE has been responding very well. They have said that this process concerns us all, and we should all be interested in cleaning it up. No one should come from outside to tell us what to do and what not to do. If international organizations wish to contribute their economic resources to help make the process a trustworthy one, then they are welcome. The TNE, however, should set the guidelines, as the four political parties are represented there," he added.

Godoy said "it is not important whether there is outside pressure but whether there is pressure from the inside demanding that the electoral register be purged. If they are not corrected, for whatever excuse the president of the TNE (Juan Ramon Martinez) may offer, he will be responsible if things in this country start to deteriorate. The United States is an enormous democracy. It becomes uncomfortable and the people reproach the development agencies if they distribute funds to a nation that would exalt disorder through a dirty election," he added. Godoy warned that if the process is not cleaned up, the funds traditionally provided by the United States to improve the electoral system will be cut off.

Nicaragua

General Ortega Says EPS 'Will Never Stage a Coup'

PA2809024593 Mexico City NOTIMEX in Spanish 0120 GMT 28 Sep 93

[Text] Managua, 27 Sep (NOTIMEX)—General Humberto Ortega, chief of the Sandinist People's Army (EPS), said today that the EPS will never stage a coup d'etat, nor will its tanks fire on demonstrators. Ortega made these remarks following the conclusion of a transportation strike on 24 September, during which there were riots in the streets of Managua while the military troops were confined to their quarters.

Ortega covertly criticized the actions of the Nicaraguan Government, which used the public force to repress the demonstrators, although he condemned the violence that caused deaths during confrontations between the strikers and the riot police.

The Army's confinement to barracks resulted from a crisis between the military hierarchy and President Violeta Chamorro after she announced that Gen. Ortega would retire in 1994 during a speech on 2 September. Following the unexpected announcement, tension between the government and military peaked; it has since waned but has not altogether disappeared. The military hierarchy rejected the decision to remove Ortega in 1994.

Meanwhile, the former Sandinist leader suggested that the political, economic, and social sectors form "a pact against poverty" that would contain the basic elements with which to deal with the current economic and social crises in Nicaragua. He also called for the solution of conflicts through dialogue and understanding.

Nevertheless, Ortega announced that the EPS will undertake a military offensive within the next few days to deal with the criminal gangs that operate in the northern and central parts of the country, hindering agricultural production and threatening the security of producers.

The pro-Sandinist National Union of Farmers and Cattlemen (UNAG) during a meeting with the EPS command today requested that military operations be carried out in the mountains of northern Nicaragua to ensure that crops can be taken out.

Criminal gangs are another source of instability in the Nicaraguan countryside, where there are also rearmed groups from the former contra and former Sandinist soldiers who are making political and socioeconomic demands.

[Panama City ACAN in Spanish at 0001 GMT on 28 September transmits a 200-word report that says Gen. Ortega confirmed today that "he will not leave his post next year as President Violeta Chamorro had announced because the Armed Forces' dignified position on the issue remains firm. The Army has established the proper, dignified, fair, and patriotic position it deserves."]

Lacayo: No Tripartite Talks Until Ortega Apologizes

PA2709221593 Managua Radio Corporacion in Spanish 1030 GMT 27 Sep 93

[From "The Awakening Newscast"]

[Text] In news already around the world, Presidency Minister Antonio Lacayo has said the tripartite dialogue that could have taken place in the next few hours has been suspended. The suspension came after former Sandinist dictator Daniel Ortega said the Nicaraguan Government, Dona Violeta, Minister Lacayo, and Government Minister Alfredo Mendieta were murderers.

Until Daniel Ortega apologizes to the government for his offensive remarks, there will be no dialogue in Nicaragua, Minister Lacayo said. Meanwhile, it is possible that bilateral talks between the National Opposition Union and the government could take place soon.

FSLN Calls Extraordinary Meeting, Discuss Crisis

PA2709230193 Managua BARRICADA in Spanish 24 Sep 93 p 12

[Text] The Sandinist Assembly will hold an extraordinary meeting to examine "the serious situation the country is facing," according to a brief communique issued last night by the National Directorate of the Sandinist National Liberation Front [FSLN], following a meeting yesterday.

The communique issued yesterday by the secretariat of the FSLN National Directorate states:

Communique:

The Secretariat of the FSLN's National Directorate is hereby announcing that the National Directorate, at a meeting today to examine the serious situation the country is experiencing due to the economic policy imposed by the Nicaraguan Government, which has caused hunger, unemployment, and desperation among the people, has decided to convene the FSLN Assembly in an extraordinary meeting to bolster the cohesiveness and strength of Sandinist unity so that it can contribute to the solution of this profound crisis, which puts the entire nation's stability at risk.

Free fatherland or death.

[Signed] Secretariat of the National Directorate of the FSLN

[Issued] Managua, 23 September 1993

National Police Council Issues Communique

PA2809024893 Managua Radio Corporacion in Spanish 2200 GMT 27 Sep 93

[From the "Five O'Clock Sharp" newscast]

[Text] The National Police Council met at 1532 at the National Police auditorium at the El Sol Plaza to release a communique to the press that reads:

Meeting at the offices of the National Command of the General Directorate of the National Police, the highest consultative authority, the National Police Council hereby reports to the national and international public the following:

1. We have carried out an extraordinary work session to analyze the latest events that have taken place in the country, during which our brother and companion Regiment Commander Saul Alvarez Ramirez was murdered.

2. The National Police are committed, in accordance with the Constitution of the Republic of Nicaragua and the law, to protecting the life, individual liberties, and security of all the citizens of this country for the sake of stability and peace.

Therefore, the actions carried out by the police to restore public order when it has been disrupted are legitimate as they act as a duly constituted authority.

3. During each relevant incident, and in those in which our institution's intervention has been needed, we have acted in a responsible, professional, and moderate manner and have insisted on the search for the dialogue and peaceful course to solve conflicts.

In light of the post-war situation, the economic-social crisis, and the polarization existing in our country, we condemn the use of violence to solve conflicts, regardless of how fair the demands may be, as it brings on more victims of unwanted damage and destruction.

4. We recognize the belligerent role played by the media and vehemently urge them to contribute with their responsible, objective, and professional message to attaining stability and solutions to our country's problems.

5. We reiterate our professional responsibility in the clarification of the condemnable events during which Regiment Commander Saul Alvarez Ramirez and Mrs. Romelda Martinez Gart lost their lives.

We will spare no efforts in bringing those responsible for these crimes before the corresponding legal authorities.

6. We reiterate each citizen's duty to contribute to the pacification of Nicaragua by contributing to the disarmament process and collaborating with the authorities for the location and delivery of weapons and other war material as an essential element for the reduction and eradication of violence.

7. We state our mourning and pain and appreciate the demonstrations of condolences and solidarity from the different sectors. We point out, however, the fact that the most rational way of showing regret for the death of our brother Saul is to contribute honestly and effectively to the national stability and reconciliation.

Issued in Managua on 27 September 1993.

[Signed] National Council of the National Police.

Radio Programs Criticize Chamorro Administration

PA2809043593

[Editorial Report] Managua Radio Catolica in Spanish at 2200 GMT on 24 September in its daily "The Nation" newscast features an unattributed statement which says "Mrs. Violeta Barrios de Chamorro was criticized throughout the world for her attitude concerning the Ortega Saavedra brothers;" adding her government has failed to prove its worth to all those "who gave her our vote on 25 February." The statement adds that Mrs. Chamorro "proved that all those who gave her their votes were wrong" in doing so because "she clearly proved to all the Nicaraguan people she is still unfit to exercise her role in the Executive Branch" by letting Daniel Ortega do what he wants in the country. Furthermore, the statement says, "Dona Violeta did not rule the country for four days," when the transportation strike was in effect, and "perhaps she has not ruled it for the last three years." The statement likewise says "the government has gone from being a hostage to being a coward" because its officials are not even able to defend the president from the Ortega brothers' insults.

The newscast also features its "Counterpoint" commentary, which deals with the government's decision to abolish the vehicle tax. The commentary says the situation was compounded by Daniel Ortega's insults to the president while she strives for a reconciliation; adding that, hopefully, "this time the president will open her eyes and realize her place is with the National Opposition Union and the parties which triumphed in the elections" since "this is the only way she can guide the country on the right course," because "the homeland deserves all the sacrifices" she can make.

Radio Catolica at 2247 GMT on 24 September carries its "Health and Culture" program, featuring Doctor Rafael Antonio Torres, who starts by referring to recent events and states "a week's worth of work has been lost." Dr. Torres says people "not only lost time, precious lives, and hope;" they also "realized they have no government in Nicaragua" or, if they do, "it is a government that does not respond to the true expectations of a nation." Dr. Torres says the government is made up of capitalists and rich people who face no problems; adding "Dona Violeta is never affected by the strikes because she is one of the richest people in Nicaragua, she has never been hungry, she has never had the need to face a day in which she could not buy milk for her children, and she has

never faced a day in which she could not buy her daily bread. Hence, Dona Violeta does not give a hoot if there are strikes, if people die, if there is suffering, if people are hungry, or if people make demands. She would rather go to Guatemala and leave Nicaragua burning."

Torres later says "the problem is that our president is inept, she does not know how to rule. The problem is that her cabinet does not know how to rule either. All they can do is collect their checks and enjoy rich emoluments" while poor people starve. He ends his statement by issuing a direct appeal to the president: "Dona Violeta, you can do Nicaragua a great favor by resigning. Resign because you cannot rule Nicaragua. Leave the post to someone who can really do it, because what Nicaragua really needs right now is capable, competent, and honest rulers who identify with the people's needs and do not exploit the people's poverty."

ΩPress Review No. 8

93P20361A

[Editorial Report] Workers Buy Shares in Enterprise—The 1 September Managua daily BARRICADA reports that, as part of a privatization agreement with the former owners, workers at the match company La Fosforera bought 50 percent of the enterprise. The workers paid $350,000, which was partially amortized with factory assets valued at $250,000. The workers will pay off the remaining $100,000 at 7 percent interest over eight years. National Workers' Front leader Lucio Jimenez stated that the privatization accord with worker participation was possible because "all parties had taken flexible and positive positions.... We are forced to take concrete steps toward reactivating the economy, because the country cannot withstand any more unnecessary tension."

Textile Plant Reopens—The 26 August BARRICADA reports that the textile factory TEXNICSA II, closed for two years, has reopened under the name Algodoneros de Occidente, S.A., (Algosa). The article explains that 17 cotton growers are leasing the factory with an option to buy. In its first three months of operation Algosa produced over 300,000 pounds of thread per month, 80 percent of which is exported to Central America and the United States, according to the article. Algosa general manager Erwin Rojas says that the company represents an alternative for the country's cotton growers who can now sell their product to Algosa at "better prices" than is offered on the international market. Most of the newly hired 420 workers, who are between the ages of 18 and 24, have recently entered the job market. Former textile workers were originally hired but they "caused problems" by demanding the basic market basket, a cafeteria, transportation, and the right to form a union, Rojas explains.

Central Bank To Sell Dollar-Denominated Bonds—The 30 August Managua daily EL NUEVO DIARIO reports that the Central Bank has begun selling dollar-denominated bonds. Central Bank President Jose Evenor Taboada explains that the timing of the bonds, called Bomex, coincides with U.S. Government intentions to suspend aid. Competitive interest rates of 7.5 percent are expected to stimulate the repatriation of national resources as well as attract foreign investors, according to the article.

Telcor Privatization Outlined—The Nicaraguan Telecommunications and Postal Services (Telcor) administrators are drafting a bill on the privatization of Telcor for the National Assembly, according to the 30 August BARRICADA. The government is planning to sell the rights to operate the utility for $120 million and an investment of $500 million for the first five years. The government will retain ownership of 50 percent, workers will own 11 percent, and 40 percent will be privatized. Twenty percent of the government's share will be offered in the form of 100- and 1,000-cordoba bonds. Telecommunications Minister Rolando Rivas announced that by the year 1997 Telcor plans to be operating 200,000 telephone lines serving 37 cities where 51 percent of the population lives.

July Inflation Rate Reported—The 30 August BARRICADA reports that according to the International Foundation for Overall Economic Development (Fideg), the inflation rate in July was 3.2 percent, while total inflation for the first seven months of 1993 was 26 percent. The article explains ?that shortages of certain goods and uncertainty regarding suspension of U.S. aid had caused an increase in prices of goods and services. In July the basic market basket of 53 products rose 3 percent in Managua compared to June, 3.3 percent in Leon, 16.4 percent in Matagalpa, 11.7 percent in Esteli, and 9.3 percent in Juigalpa.

EEC Assistance Reported—In an interview with EEC Representative Vittorino Allocco published in the 30 August BARRICADA, Allocco reports that EEC assistance to Nicaragua for 1993 totals 63,144,338 ecus ($72 million). Allocco affirms that EEC Social Affairs and External Cooperation ministers are pleased with the assistance projects being undertaken with community funds, and that there is "no sign of reducing cooperation with Nicaragua." Allocco says that the $72 million in assistance are in the form of donations for projects including rural development, conservation of the environment, professional training, and food aid. Allocco explains further that the European Community does not interfere in internal affairs, and that aid would be suspended only if there were "a disruption in the constitutional order."

Germany To Reduce Aid—The 2 September BARRICADA reports that Germany will reduce aid to Nicaragua in 1994 from 70 to 55 million marks ($34 million) due to "budgetary problems" caused by the merger with the former East Germany. Forty million marks are earmarked for financial cooperation and 15 million for technical cooperation, the article reports. Projects include training and reintegration of the demobilized

Armed Forces and Nicaraguan Resistance soldiers, conservation of the environment, housing construction, and potable water projects. Helmut Schaffer, director of the Latin America Department in the Federal German Ministry of Cooperation and Development, tells BARRICADA that Germany is "concerned" about "problems in the legislature, and property and military issues" and urges the Nicaraguan Government to move towards "pacification and political stability."

National Development Bank Prioritizes Basic Grains—The 28 August Managua daily LA PRENSA reports that the Matagalpa branch of the National Development Bank (BND) is lending 3.5 million cordobas to basic grain growers, with emphasis on the cultivation of 20,000 manzanas of beans. Production of 150,000 quintals of red beans for domestic consumption and 50,000 quintals for export is expected. The article stipulates that in order to obtain financing growers need to show property titles or a lease.

Organization To Finance Small Businesses—The 2 September EL NUEVO DIARIO reports that the Foundation for Small Business Development (FAMA), a nonprofit organization, is planning to offer low interest loans repayable in two months to businessmen in Jinotepe and other neighboring municipalities. FAMA official Guadalupe Espinoza noted that FAMA also offers advice and training to small businessmen. FAMA was founded in 1991 and currently has two offices in Managua, one in Masaya, and one in Chinandega, according to the article.

* Sandinists Discuss Proposals by '29,' Ortega

93CA0196A Managua EL SEMANARIO in Spanish No 145, 22-28 Jul 93 pp 18-21

[Interviews with Managua council member Monica Baltodano and deputies Raul Venerio Granera and Dora Maria Tellez by Edgar Solorzano and Walter Lacayo Guerra; place, date not given; first three paragraphs are EL SEMANARIO introduction]

[Text]

Movement Agrees With Ortega Proposal

The debate among Sandinists has begun. Two factions (the Democratic and Renewal faction and the proclamation of the 29, plus one more now, the legendary Tomas Borge) are voicing their views on the national crisis and pursuing their own forms of struggle. All are for a united Sandinism. One matter under discussion is a new identity for Sandinism. To this we should add the proposal by the secretary general of the Sandinist Front to form a government of national unity if the present government has perhaps worn itself out. In any case, the Sandinist Assembly and the Special Congress will have the last word. Not everything has been settled, but the controversy is causing expectations to mount about the new role that the country's most dynamic and cohesive force will have to play.

Raul Venerio from the centrist group, Monica Baltodano from the 29, and Dora Maria Tellez discuss with EL SEMANARIO their objections and accomplishments, as well as the new courses of actions among which the Sandinist Front currently has to choose in overcoming the social, economic, and political debacle in which the country finds itself.

Monica Baltodano is a signer of the Manifesto of the 29, a guerrilla commander, a councilwoman of the Sandinist Front in Managua, and the president of the Association of Council Members of the People.

[EL SEMANARIO] Commander, various factions have emerged within your party in the wake of the Sandinist Front's election defeat. A group called "the 29" recently emerged. What is your explanation for the emergence of these factions?

[Baltodano] We have refused to call ourselves factions; instead we see ourselves as a movement in which as one of the FSLN [Sandinist National Liberation Front] structures we share a series of concerns about and positions on the national situation, concerns, and positions that we have decided to push through the structures, through organized efforts both among the rank and file and the leadership. Unlike the so-called center group, this movement reflects the feelings of the majority of the Sandinist Front, and its thinking has already been put before the leadership bodies. Given the lack of truly democratic workings, inasmuch as the resolutions of the Congress have not been fully implemented, the movement had not succeeded in making the sort of impact that would enable its thinking to prevail in the decisions by leadership bodies and the National Directorate itself. This is why we decided to make our views public so that we would have an impact on our members and society at large and thus invigorate the internal debate.

[EL SEMANARIO] Some sectors, even the Sandinist Front itself, have called you radicals. What do you think about this?

[Baltodano] I think that branding us radicals is an expedient to downgrade our thinking. We really do not hold radical positions. There are radical expressions of truth in the FSLN that are not embodied in our pronouncement. Some of our sectors are being so hard hit by the crisis and feel so little represented in the FSLN that they really have taken radical and even violent action. For example, we can brand as radical the positions of the groups of recompas that have resorted to weapons. It is radical, for example, to contend that the entire National Directorate is of no use. So, our position is rather revolutionary, one that respects the legal framework in which we find ourselves; ours are rational positions that take into account the country's general limitations. But we do not want either to reply to assertions that in our judgment come from people who are interested in disparaging us because they do not have cogent arguments to refute our indisputably just positions.

[EL SEMANARIO] What does the Group of 29 think of the proposal that Commander Ortega made this past 19 July?

[Baltodano] Daniel's message pleased us greatly, because I think that it reflected the feelings of the Sandinist rank and file and of the people in general, who are suffering the consequences of the government's economic policies. It was a focused speech, using carefully considered, well thought out language. It is really consistent with our concerns, since the call for a Government of National Unity reflects our position of distancing ourselves from this government because it is no longer capable of resolving the crisis.

[EL SEMANARIO] It was noteworthy that Ortega spoke in the first person at the ceremony on the 14th anniversary. Do you think that the proposal to form a Government of National Unity reflects the very personal thinking of the secretary general, or does it come from the National Directorate?

[Baltodano] I think that you would have to ask them.

[EL SEMANARIO] As a member of the Sandinist Assembly you must have some information....

[Baltodano] I can tell you that the other members of the National Directorate did not discuss Daniel's speech. Now then, some members of the National Directorate have publicly voiced different positions. Commander Victor Tirado, for example, takes positions different from Daniel's. And I am not talking just about writings in newspapers; there were also incidents at the ceremony in Esteli, such as jeering and things like that. We must also remember that right now the National Directorate is being questioned by the rank and file and the cadres because they feel that it has not really been leading. Moreover, according to the bylaws, the secretary general is supposed to be the front's spokesman and, therefore, can speak on behalf of the party.

[EL SEMANARIO] Does the secretary general's proposal have to be ratified by the Sandinist Assembly?

[Baltodano] What he said is that he is going to propose it to the Assembly, because according to the bylaws, and he mentioned this point, it is the only body that can call a Special Congress.

[EL SEMANARIO] Does this mean that the proposal is not yet in final form?

[Baltodano] No. He first has to bring it before the Sandinist Assembly, and if it tells him no, then there will simply not be a Congress.

[EL SEMANARIO] But Ortega also said that this debate had to go beyond the Sandinist Assembly to people who are Sandinists in their hearts, even if they do not have membership cards....

[Baltodano] He was talking about the Congress. The Assembly is going to decide whether to call a Congress or not, besides deciding its agenda and how it is going to be discussed. He is thinking about the active involvement of all the people so that they can influence the congress members.

[EL SEMANARIO] Do you think that a Government of National Unity needs to be formed?

[Baltodano] This is obviously not in final form either. It is a proposal that has to be worked on in detail. I think that it will be up to the Sandinist Assembly to decide to what extent it has to consult the Congress, because there is no obligation to debate in the Congress. The bylaws make it very clear that the Assembly decides on the party's policies of national unity and alliances between congresses as long as it is within the framework of the Program. So a proposal like this violates neither the bylaws nor the program.

[EL SEMANARIO] If this government is worn out, is it possible to form a Government of National Unity under these circumstances?

[Baltodano] Yes, I think that it is possible. The current government is made up of technocrats who belong to no political party. In contrast, we are more likely to find common ground with the other political forces to tackle the terrible economic crisis that we are in.

Proposal Puts Aside Traditional Methods of Struggle

Raul Venerio Granera, a guerrilla commander, Sandinist deputy, and member of the FSLN since 1974, analyzes the backstage maneuvering in the public and internal debate.

[EL SEMANARIO] Mr. Deputy, two factions have emerged within the party in the wake of the FSLN's election defeat. What do you think about this?

[Granera] In the first place, the efforts that are being made to democratize the Sandinist Front are healthy for it. This has to do with the evolution of the FSLN, inasmuch as when it was founded, it was an organization with a political and military structure, method of struggle, and philosophy; this was valid during the confrontation with the dictatorship. As of 1979 it could have made the leap and become a modern party that, after taking power, could have met the challenges that arose, but for various reasons it was unable to make that leap. During this new stage, instead of becoming a party, it tended to follow the previous course and, therefore, was centralist, ruling from the top down, and it made the mistake of promoting styles that were not in keeping with the situation. Of course we cannot lose sight of the war waged against us.

It was as of 1990, amid a new situation, that the party again considered its democratization and allowed a series of concerns to emerge about improving the methods, the political thought, and the approach that the Sandinist Front ought to adopt during this new stage.

Thus, on 21 February 1992 we went public with a pronouncement in which a group of Sandinists calling ourselves the National Project decided to point out a few things honestly and frankly, in a bid to develop methods, concepts, and a clear-cut position vis-a-vis the Nicaraguan people to try and resolve their problems and indicate what Sandinism's courses of action should be in light of this new situation.

[EL SEMANARIO] What specifically are you calling for?

[Granera] We want a democratic, nonexclusionary Sandinist Front with a new structure.

[EL SEMANARIO] And what do you, as a faction, think about the proclamation or pronouncement of the 29?

[Granera] Well, as of last Saturday there are 30 of them, because Commander Borge said as much, and it is now known as the "Document of Commander Tomas Borge." We think that the debate has begun. It is healthy, as long as it helps the Front to find the best method of struggle within the framework of the constitution while keeping the peace that has cost us so dearly.

[EL SEMANARIO] What does the Center Group think of the Document of the 29?

[Granera] We are concerned about some things. In the first place, we agree with them because we are not a group that represents the right within the Sandinist Front; rather, we represent the more mature position. The problem is that they are calling for traditional methods of struggle that were valid in different times. We want to distance ourselves from those methods. We want the government of the republic to chart a new economic course to alleviate the situation of the masses.

[EL SEMANARIO] According to some political analysts, the seven speeches commemorating the 14th anniversary of the revolution seemed to support the position of the Group of 29. What do you think?

[Granera] That stands to reason, as several of the speakers are signers of the pronouncement of the 29. We should also point out that in his speech Commander Ortega distanced himself from the 29 and instead tried to put forward a proposal that is very far removed from the methods and approach that they are calling for.

[EL SEMANARIO] In his speech the secretary general of the FSLN said that a Government of National Unity needs to be formed. What does the Center Group think of this proposal?

[Granera] This is a valid and important proposal. It is also beneficial, to the extent that it represents the prelude to a broad national dialogue in which all of the country's sectors are represented. In other words, if the goal of Commander Ortega's proposal is to build a national consensus, we approve of and support it. But the fact is that it entails a series of problems: how is it going to be implemented, what are the mechanics going to be, who will convoke this Government of National Unity. The only viable way as far as we are concerned is for the government itself to call for its formation. In short, though, we approve of and applaud the proposal, which we think is positive.

[EL SEMANARIO] Do you think that he is proposing a coup d'etat, as some politicians have said?

[Granera] Not at all. At no time has this been proposed. Rather, it is like a broad national program in which we place national interests before personal interests. Hence, it is an excellent proposal.

[EL SEMANARIO] Do you mean that it has to be the cornerstone of a new national dialogue?

[Granera] I really do not know whether the current dialogue has run its course. What it says, though, is that the government is the one that has run its course. The truth is that we are talking about a dialogue not among the deaf but rather one in which we all take part and we all give in a bit to build a consensus and rescue the country from its debacle.

[EL SEMANARIO] What will happen if the government does not call for the formation of a Government of National Unity?

[Granera] I think that things will be rough if the government does not do so. How else could it happen within the framework of the law? What are the alternatives? We would have to seek a consensus, perhaps through a plebiscite.

[EL SEMANARIO] It is noteworthy that Commander Ortega spoke in the first person, as if it were his own proposal. Is this really a proposal in final form, or does the Sandinist Assembly have to ratify it?

[Granera] The Front's highest body is, of course, the Sandinist Assembly. It was very noteworthy to us that he spoke in the first person, but I do not think that he would have gone so far as to make this proposal without having talked it over and sought some sort of consensus beforehand. Now then, if the proposal is designed to come up with a solution to this country's problems, then I think that we Sandinists have to support it. Moreover, he himself called on the Sandinist Assembly to convoke a Special Congress, which hinges on a wide-ranging consultation.

Constitutional Reforms and a Government of National Unity

Dora Maria Tellez, a guerrilla commander, Sandinist deputy, and assistant chief of the bloc, is also a member of the Sandinist Assembly.

[EL SEMANARIO] Two factions within the Sandinist Front have spoken out: the National Project and the Group of 29. What do you think about these two groups inside the Sandinist Front?

[Tellez] I think that the emergence of factions should not frighten anyone. It is a natural phenomenon in a party that is engaged in a political debate. Moreover, it is wishful thinking that a party as broad as the Sandinist Party could be altogether homogeneous. The important thing is that they should further the debate as they put forth their views in keeping with political tolerance and democracy inside the Front.

[EL SEMANARIO] The Group of 29 was calling for the Sandinist Front to distance itself from the government....

[Tellez] In my judgment, there is a problem with the proposal by the Group of 29, because it asks the party to say whether it is for or against the government. I think that the debate in Sandinism ought to focus on the Sandinist Front's program for Nicaraguan society. So, the choice should not be whether we are closer to or farther away from the government; it should be whatever program Sandinism puts before the people.

[EL SEMANARIO] Speaking of the Sandinist Front's program for the Nicaraguan people, there has been a call for the formation of a national government. This is apparently the view of the secretary general, Daniel Ortega. We would like to know whether you agree with his proposal.

[Tellez] I think that the proposal put forth by Commander Daniel represents a political position. I think that this is significant because a program of constitutional reform that will democratize the country's institutions is implicit in it. What Sandinism is seeking first is a solution without exclusions for Nicaraguan society; in other words, one that does not exclude the country's political, economic, or social forces and that entails a commitment by all these forces to tackle the crisis responsibly. I find this to be an extremely serious proposal by the Sandinist Front, one that ought to be welcomed by the rest of the segments of society and even by the government itself, which ought to admit frankly that it has suffered severe wear and tear.

The other solution is a radical turnaround in the economic policy of the government, which I think is now able to do so. But I think that the secretary general's proposal is a political position on the part of Sandinism, a timely political position.

[EL SEMANARIO] One local newspaper said that the people to blame for the current economic situation are now portraying themselves as a solution, even adding that a coup d'etat is being threatened. What do you think about this?

[Tellez] This is complete nonsense, perhaps resulting from confusion, from an inability to respond sensibly to a search for a nationwide solution. Sandinism is showing its ability to change with the times by proposing a consensus solution in which everyone bears responsibility, a solution that will enable it to head up the forces that are seeking answers to the country's problems. Now then, a coup d'etat would be crazy, irresponsible. Likewise, blaming the Sandinist Front for the economic crisis is irresponsible too. Who is responsible for the economic crisis? Is it the United States, because of the blockade over the past 10 years? Is it the people who belonged to the Contras or the civilian leaders of the Contras? Is it the Sandinists who were in government in previous years? Or can the crisis also be blamed on the people who upheld Somozism for the entire time? Or is the government's economic policy to blame for the economic crisis? In short, I think that no matter who is to blame, we must seek a solution.

[EL SEMANARIO] What should the role of the Sandinist Assembly be in dealing with this proposal from Commander Ortega?

[Tellez] The Sandinist Assembly should immediately propose a comprehensive program of constitutional reforms, touching every aspect of the constitution, in an effort to build the broadest national consensus. I am talking first about democratizing national institutions. The Sandinist bloc itself has formed a committee to look into issues relating to constitutional reform, and as soon as the Sandinist Assembly can meet, it should take up this initiative of comprehensive constitutional reform as one of its key items.

[EL SEMANARIO] What would be the main ingredients in forming a government of national unity?

[Tellez] A government of national unity is the product of a program of national unity and also has a great deal to do with constitutional reforms. In other words, what kind of institutions do we all want for the country so that all of us in government or in the opposition, as well as Nicaraguan citizens, have guarantees. Second, what sort of economic policy. All of this is part of a program of national unity. Part of this has to do with the elections themselves, because there are political forces that have already gone into an election mode in this country. The serious danger is that the country may tear itself apart in the midst of an election campaign in which the main concern of these forces will be to destroy the others, not to build up the country. So, this would be a third point that I would include in a proposal for a policy of national unity: when do we start the campaign season and how do we do it to prevent demagoguery and deception of the people.

[EL SEMANARIO] Does there have to be a continued dialogue to build this consensus?

[Tellez] Sandinism cannot reject a dialogue even if others stop talking or reject it, as is the case with the National Opposition Union or the people who call for a dialogue but without really being serious about it, such as the government. This sort of behavior is wearing down the mechanism of dialogue. Nevertheless, the Front must maintain its ties, its determination, and it is for this reason that it can propose a program of national unity.

* Sandinist Deputy Discusses Constitutional Reform

93CA0192A Managua EL SEMANARIO in Spanish No 144, 15-21 Jul 93 p 6

[Interview with Sandinist Deputy Jose Leon Talavera by Walter Lacayo Guerra; place, date not given; first paragraph is EL SEMANRIO introduction]

[Text] The news hit some people like a bucket of cold water, while it made others enthusiastic. Never before had a Sandinist deputy talked about taking up the banner of constitutional reform. On the contrary, the Sandinists had always been reluctant to discuss the issue, preferring "to hold out as long as possible." Jose Leon Talavera, backed by Carlos Gallo, both Sandinist deputies, broke the mold and argued that reforms of the Political Constitution of the Republic, which was enacted in 1987, ought to begin this year. A long-standing demand by rightist parties is now being endorsed by a Sandinist who has thereby become the target of criticism and accusations from some of his fellow party members.

[Lacayo Guerra] How is it that suddenly, unexpectedly, two Sandinist deputies are proposing a constitutional reform?

[Leon Talavera] Well, the issue of constitutional reform has been floating around since 1990. It bears emphasizing that the political constitution clearly indicates the mechanisms for a reform, which requires a three-fifths vote of Congress if it is a partial reform and a two-thirds vote if it is total.

[Lacayo Guerra] This means that a reform is impossible without a consensus among the political forces in Congress!

[Leon Talavera] That is right. The Sandinist Front has argued that the time will come to discuss the reforms and has been postponing that time, with a certain degree of timidity and with some prejudice. Personally, I have been arguing, even within the Sandinist bloc, that 1993 should be the year that the Sandinist Front takes the lead and spearheads a proposal for constitutional reform.

[Lacayo Guerra] Why does it have to be 1993?

[Leon Talavera] I said that this was the year because I feel that it would not be timely to shift the discussion of constitutional reform to the campaign period, which is being moved forward in our country because of the moves that some parties, like the PLC [Constitutionalist Liberal Party] and others, are prompting. The constitution provides that two legislative periods are required for the reforms to take effect, so the most opportune move would be for us to start the talks in August when the midyear recess ends.

[Lacayo Guerra] Must the Sandinist Front be the party that spearheads the reforms?

[Leon Talavera] Well, yes, because this issue is very important for Nicaragua's future. And I do not think that anyone in Sandinism doubts the need to modify a constitution that was discussed and promulgated with much effort and much consensus in 1987 under war conditions, with the country under attack, and also at a time when sweeping social and economic transformations were taking place, as reflected in excessive authoritarianism and presidential power. Like every body of law, it has to be checked against the real world, and there are a series of aspects and concepts that can be modernized and adapted to new realities, without impairing, I think, constitutional principles such as nationalism and the social justice approach, for example.

[Lacayo Guerra] You have said that this proposal is an individual initiative. Does this mean that it reflects your own agenda?

[Leon Talavera] Deputy Carlos Gallo and I have made use of the right that all representatives have to submit political and legislative initiatives. Our intention is to promote debate, discussion, not only inside the Sandinist bloc but also in other forums of the Sandinist Front. It has caught my attention that certain editorial writers and members of the National Directorate have also been addressing the issue in a way that supports my position.

[Lacayo Guerra] Have you spoken with other political sectors about your proposal?

[Leon Talavera] Yes, I have also consulted informally with certain UNO [National Opposition Union] parties, and I sense a new mood in some of these political forces. I sense it in the MDN [Nicaraguan Democratic Movement], in Social Democrat leaders, and in some Christian Democrats. It would be a good idea to look into what the mechanism would be for building a consensus, because I repeat, no one can carry out a reform unless they have the backing of others, and there will have to be negotiations because otherwise there are not going to be reforms, and I think that it would be bad for the country if our political forces are not able to build a consensus on a Political Constitution that is the legal framework determining the type of State and country in which we want to live, but under democracy.

[Lacayo Guerra] Have you struck a responsive chord among your fellow Sandinists in Congress?

[Leon Talavera] Well, I have had a lot of contact with them and I think that they are increasingly responsive. I am sure that the Sandinist bloc is going to discuss this issue in early August and make a decision. I am going to abide in a disciplined way by whatever the majority decides. But I am optimistic that the bloc is going to have a very influential position, because I do not think that the future constitutional reform ought to be hatched by way of top-echelon accords, divorced from the political parties and their congressional representations, a reform that ought to serve as an element of stability, peace, and economic development.

[Lacayo Guerra] How about a specific reform proposal?

[Leon Talavera] We have instead been identifying certain issues on which we are on common ground, such as transferring gradually to the Legislative Branch certain functions that for now are concentrated in the Executive Branch. I must clarify that this is not an abandonment of the presidential system, which is the one that predominates in Latin America. We think that Congress must be the one that makes decisions in order to prevent mistakes in budget and fiscal policy. Moreover, we believe that the Judiciary ought to be strengthened by giving the justices the right to choose the chief justice of the Supreme Court, and I do not think that anyone opposes this. We would establish the Attorney General's Office for Human Rights as a civil institution. In addition, the power and the autonomy of the municipalities must be bolstered. In short, there are a series of provisions that we need to think about as the next century approaches and we cope with new realities in Nicaragua.

[Lacayo Guerra] Every time there is talk of constitutional reforms, the first question that public opinion asks is: Is the presidential term going to be shortened?

[Leon Talavera] I take the position that the term should not be shortened. Until Nicaragua resolves its economic crisis, which has structural roots, long presidential terms are needed. The terms could be shortened for city governments, though. But I think that a temporary accord should reduce Dona Violeta de Chamorro's term to six years from six years and nine months, as was decided at the time.

* Unity Solution to FSLN Crisis

93CA0189 Managua BARRICADA in Spanish
10-11 Aug 93

[Part I of two-part article by Carlos Fonseca Teran]

[10 Aug p 9]

[Text] The FSLN [Sandinist National Liberation Front] is now at a historic crossroads where the very future of the Nicaraguan revolutionary movement is at stake. Before it can proceed any further, the Sandinist Front must face many challenges, including the one of solving its internal problems as a revolutionary party. However, it must first consider the role it has to play as a party.

Along with the welfare of the people based on a social transformation, revolutionaries seek to build a social conscience with new values characteristic of the new society emerging from that transformation and in which man is a brother rather than a predator.

This historic mission will not be fulfilled if the party of revolutionaries does not constantly function as a grassroots organization, transmitting the new values to society and leading the oppressed sectors in their fight to transform the existing order of things, this without replacing the organizational forms, definitions, and leadership of the social movements themselves.

In contrast, the other parties have no organized political action at the rank-and-file level other than their propaganda and election campaigns, inasmuch as their values are already established by the millenary nature of a society founded on exploitation.

In order to define a way of guaranteeing fulfillment of the FSLN's role as a revolutionary party, we must start from the fact that we are currently in a phase in which the ideological confrontation and rank-and-file political work are essential to the struggle in order to make a revolutionary option prevail in Nicaragua.

In order for the FSLN to play this role, its members—who do not have to be card carriers—must, in addition to being preachers, be exemplary men and women in terms of their moral stature and qualities.

Based on all the foregoing, I believe the following elements must be set forth as the party's basic principles:

Party Principles

1) the organized political action of Sandinists as such, wherever they may be

2) the systematic political and revolutionary training of members, including: a) political studies using dynammic, creative methods; and b) constructive criticism and self-criticism as a constant, permanent method of overcoming errors, weaknesses, and individual and collective deviations.

In order to be effective, these principles must fit into a framework of discipline and flexibility—not without a certain strictness—in dealing with members having a lower level of commitment, so as to be able to combine the quality of a revolutionary party with the organic scope demanded by the present circumstances.

For the FSLN, to abandon the characteristic role of a revolutionary party would be to alter Sandinism as a political current, inasmuch as it appears in history precisely as the perpendicular that breaks with the scheme of parallel lines and democratizes Nicaraguan political life by its mere appearance by destroying the hegemony formerly exercised by the landowners. This is so because Sandinism is the alternative of classes previously excluded by their very nature from the historic picture. Sandinism becomes viable because, from that class position, its action is guided by its own national platform. Moreover, it is that same class position which determines the revolutionary nature of Sandinism.

The FSLN is now going through a structural and organizational crisis which, far from negating the validity of its role as a revolutionary party, points up the urgent need to play that role. Doing so means that it must overcome weaknesses that have accumulated in government, weaknesses which, because they were not faced systematically, set off a whole process of internal decay.

These weaknesses can be summed up as: the paralysis of internal criticism; a gap between the leadership and party rank and file and the masses; the concealment of personal deviations of great public significance and excessive leniency toward personal deviations in general; the selection of cadres and leaders based on superficial parameters or as a reward for subservience; activism versus political education for members; the formation of a political caste that adulterates the revolutionary process and the creation among the leadership of standards of living in conflict with the principle that in a revolutionary, the personal aspiration to material well-being cannot be divorced from the social aspiration of all the people to such well-being.

In my opinion, the structural-organizational crisis stems from the following:

1) the death of the old political structure of rank-and-file members. The party must be rebuilt according to the new terms on which the revolutionary struggle is based.

2) the inflexibility, lack of initiative, and apathy of local and rank-and-file structures;

3) the obsolete nature of the national leadership, translated into a lack of functionality and loss of leadership as an organization; and

4) the lack of adaptation of the organic dynamic to the elective nature of the leadership, in addition to the prevalence of negative phenomena such as "reyfeismo" and sectorial representation in local leaderships, resulting in a lack of functionality in organs of leadership.

This year has witnessed what could be the FSLN's political takeoff toward its internal reorganization and the winning back of power. The March and April sessions of the Sandinist Assembly, during which progress was made on central issues of Sandinism and the country as a whole, and, more recently, the declaration in which a representative group of members demanded clearer and more combative opposition on the part of the FSLN, followed by the mass message on 19 July combined with the controversy started by our declaration and the proposals of Major Daniel Ortega, are all signs of this as-yet incipient substantive revitalization of Sandinism.

[11 Aug p 9]

[Text] A social and nonpolitical alliance would be the embryo of the only viable government of national unity and the basis of the new revolutionary platform.

Following the Sandinist Assembly's March and April sessions—at which substantial progress was made on such important issues as the patrimony of the FSLN, ethics, and the Sandinist proposal concerning in what direction and how the current economic policy must be changed—the great challenges that have come to the forefront for Nicaraguan revolutionaries are: the drafting of the new alternative platform for the left in Nicaragua; the strategy that will lead us to it, making it represent the broadest possible sectors of society; and the beginning of a process that will reverse the internal decay of the FSLN.

In other words, the Sandinist economic program and the plan of struggle accompanying it are, however sound they may be—and they indeed are—nevertheless circumstantial proposals for changing the economic policy, even though they are indispensable for what is now missing: a platform of our own to replace the one in place.

In addition, the issues taken up in March and April still have to be discussed. The effort which many members of the Sandinist Assembly have made to transmit the results achieved and involve the rank and file in discussions is insufficient. The political and organizational mechanisms are still shaky, which prevents us from successfully undertaking the task of turning to other internal problems. h3
Congress for Strategy

That is why I find it timely and fitting that Major Daniel Ortega has made himself the spokesman for the proposal of various sectors of Sandinists concerning the need for a special congress (or a regular congress moved up) that would draft the election platform, make structural and organizational adjustments within the FSLN, and change the leadership.

However, that congress would be the worst frustration of this decade if we neglected the strategy, which is: how to make social resistance an effective and permanent means through which civil society defines the country's course. In a country democratized by a social revolution, this is the only way to permit the existence and achievement of a new revolutionary program.

The loss of the agricultural harvest, the end of the people's expectations with respect to the future economic results of government policies, and the exacerbation of the armed conflict in the north are clear signs of the exhaustion, because of its inviability, of the model imposed by the oligarchy and, along with it, of the mechanisms with which it avoided being confronted by civil society as a whole. In addition, there is the dialogue of political leaders and all the promises and agreements with which the oligarchy maintains the social forces that oppose its program, while it sets it in motion by using de facto maneuvers. More than an expression of governmental inefficiency, the failure to fulfill seems to be the supreme goal which the government sets as soon as it promises or signs!

With every passing day, the government's economic policy renders it more incompatible with reality in Nicaragua. After playing the role of political stabilizer, it has become an agent of social frustration, instability, and anarchy.

Dialogue has been exhausted as an act of leaders that politically sustains the bourgeois oligarchy and as the

screen by which the government creates expectations in the social forces opposing it in order to gain time to get its unrealistic program going.

It is not dialogue as a civilized form of resolving controversies that is worn out, but dialogue as a concrete means of defending and sustaining the oligarchic bourgeois purpose; not dialogue in existential terms, but real terms. We must open up a new chapter in the history of Nicaragua and, along with it, a new type of dialogue and consensus.

Leon Experience

If dialogue has not been accompanied by social mobilization, it is because it is a demobilizing, frustrating, exhausted dialogue.

Major Daniel Ortega proposed the alternative of a government of national unity, but no one knows precisely what he means. Expressed in that way and without more specifics, it resembles a coalition of parties, which is not viable given the diversity of opposing political interests. It appears even less realistic at a time of the deterioration of the bourgeois system of political parties throughout the world.

It sounds more realistic and reliable to build a strategy of popular unity based on a broad social alliance of all sectors affected by the bankruptcy in which the oligarchic shackles have landed our economy, an alliance in which there would be room for everyone from the big landowners to the unemployed, producers, businessmen, cooperative members, blue-collar workers, merchants, settlers, professionals, students, and many other sectors, such as social interest, trade union, and sectorial groups.

Such a social rather than political alliance would undoubtedly be the seed of the only truly viable government of national unity and the basis for the new Nicaraguan revolutionary program, the national program of the people which, unlike the oligarchic national program, would not have to exclude any social sector. Unlike the oligarchic proposal, it would not face the class-based need to disrupt the country's property structure, the basis of any economic model.

There is one incalculably valuable experience in popular unity out of which this concept grew: the formation of the Committee of Salvation of Leon, a little publicized success worthy of being imitated by the rest of the country. Even though it is only beginning, it is a sample: In a protest march through the streets of Leon on 8 June, 8,000 persons carrying new slogans and the blue and white banner demanded a total change in the government's economic policy. They had a socioeconomic forecast in hand and a list of concrete proposals that would enable the government to save Leon.

A great deal remains to be added to this proposal before it takes its final form, but I believe it is the only way to modify our economic policy and save our nation.

* CADIN Stresses Importance of Property Issue

93CA0193A Managua LA PRENSA in Spanish 15 Aug 93 pp 1, 7

[Interview with economist Noel Ramirez by Jose Davila; date and place not given; first five paragraphs LA PRENSA introduction]

[Text] Injecting more money into the economy, which, while possibly increasing the rate of inflation, will in the end stimulate the productive sector, is one of economist Noel Ramirez's ideas for changing current economic policy and laying the groundwork for sustained growth in the future.

Taking advantage of the government's appeal to the country's economists to express their opinions about possible changes in economic policy, LA PRENSA approached Ramirez for its "Sunday Interview."

Holding a doctorate of economics and another in law, Ramirez criticized the intensity of the economic liberalization in Nicaragua because of its effect on integration and argued for a slower process with universal special treatment because of the country's prostration.

The economist disagrees with the government on current monetary policy, which he deems extremely restrictive and dangerous. He does not think the economy will grow this year, but says that if his ideas were taken into account, results would begin to be seen as early as next year.

In his interview with LA PRENSA, he also noted that the entire way in which the government of Nicaragua is conducted has to be rethought. He reemphasized the importance of building a true state of law combined with respect for private property as a fundamental principle.

The following is the text of the interview:

[Davila] A few months ago, you talked with LA PRENSA concerning the economic crisis in the country. Could you repeat what you said at that time?

[Ramirez] In that interview, I talked about three scenarios in the area of economic policy. The first consisted in continuing the current inflexible policy of stabilization, which would take us into a major recession and a dangerous and explosive social situation.

The second involved a Sandinist Front-type populism, which would lead us to an inflationary policy with serious distortions and speculation and be a hindrance to the productive apparatus.

I did not find either of these advisable, preferring a third that I found more suitable. What it endeavored to do was render the stabilization policy more flexible by accepting a higher rate of inflation and the injection of more money [into the economy] in order to revive the productive apparatus. I thought we had to manage the exchange rate, lower interest rates, and adjust the prices of our

principal products based on a rate of inflation that could range from 20 to 30 percent a year.

I also told LA PRENSA at the time that while these measures were important, they were not enough, inasmuch as what was essential was to guarantee a state of law and respect for private property.

I am very worried because, just as under Somoza we used to hear people say that anything was better than Somoza, when we came under the rule of the Sandinists, the people decided that they had been better off with Somoza, and now some are beginning to say that things were better under the Sandinists!

Whether or not this is true, I believe that if this perception becomes widespread, the rechanneling of the process of transition will be more difficult.

Speaking in general, we must change the general direction of the government of Nicaragua, economically and politically.

[Davila] Does such a reorientation include proposals made by certain sectors to shorten the term of the current administration?

[Ramirez] All responsible sectors of this country must do their utmost to see that the government in power serves out its term because it is one way to strengthen the democratic process that we all want.

Any other alternative seeking to oust this government before it completes its term of office would only benefit the FSLN [Sandinist National Liberation Front], which would not be in a position to attract the economic resources that our country needs for its recovery.

[Davila] It is said that you were the coordinator behind the drafting of a CADIN [Nicaraguan Chamber of Industries] document on a recovery strategy that was presented to the president. What were that document's key proposals?

[Ramirez] The Chamber of Industries presented a real proposal to the president for the country's economic recovery. CADIN did so because it was concerned about the recession, unemployment, and poverty.

Despite a certain pessimism, the idea was to reverse these dangerous trends of the economic crisis.

The key elements of the proposal were, first of all, to recognize that the state of law and respect for private property were fundamental to the economic recovery.

It also recognized that the private sector was the basic driving force of that recovery and that, through its institutions, the government should strengthen that role.

We also proposed to downsize the government because it is far too big. The Army continues to be very big. Nicaragua's tax burden is twice that of the rest of the Central American countries, a fact that unquestionably hinders investments.

CADIN also states in its document that Nicaragua's economic liberalization is very important because it promotes efficiency. However, reducing tariffs too rapidly could bankrupt the country's productive sector.

In addition, what we must try to do is promote the efficiency of public services proportionate to investments in order to lower costs and avoid reducing incentives to investors.

[Davila] What specific recommendations did you make in these areas?

[Ramirez] First of all, we specifically recommended reducing the size of government in order to lower the tax burden and make investments more attractive. Second, the stabilization policy must be made more flexible because the restriction on liquidity is dangerous in that it generates a recession that has even reached the commercial sector, the precise sector that had been experiencing a noteworthy improvement. We must inject more money into the productive sector and lower interest rates.

We also recommended against implementing a liberalization policy so rapidly and that we seek widespread special treatment instead. Other countries have done this during postwar periods. We asked for an active exchange policy to stimulate the productive factor and discourage speculation.

In our opinion, all of this would soon help create jobs, which is really our economy's top priority.

[Davila] But how are these recommendations substantially different from what the government is doing on economic policy?

[Ramirez] First of all, with respect to fiscal austerity or the process of reducing the fiscal deficit, which is very important to financial stability, the government is achieving it by more taxes and decapitalization of the private sector via the collection system.

Fiscal austerity should be achieved through greater reductions in government spending, further cuts in the size of the Army, increased efficiency of government agencies, and changes in the current system of collections from business.

As far as current monetary policy is concerned, it is extremely restrictive and dangerous and aggravates the recession. We must inject liquidity into the economy, even if this implies somewhat higher inflation. We would attempt to adjust the prices of the main products to that rate of inflation. This solution is economical and socially more acceptable than what is now being done.

With respect to the economic liberalization, the current state of prostration must be taken into account and the liberalization should not be implemented too rapidly. We must look for the exception, even with the low productive capacity that we have as the result of the last 10 years of government.

[Davila] But if all these measures were taken, when would results be seen?

[Ramirez] Well, the recovery would not be immediate. If these measures were taken, the results would not be felt this year, during which I think the growth rate of the economy will be zero.

Now then, what these measures would immediately achieve is a greater economic movement based on increased liquidity and recovery from the recession would gradually begin.

However, what is important is that these measures provide the foundations for modest but sustained future economic growth which will always require outside resources, but which, insofar as we strengthen production, would reduce dependency on foreign aid. This would be very favorably looked upon by the international community.

[Davila] Will these measures that you propose, such as greater liquidity with higher inflation, be accepted by the international organizations that have designed these models of stabilization?

[Ramirez] Without question, aid from international organizations is necessary, but I think the measures proposed are in keeping with those recommended by the International Monetary Fund (IMF), the World Bank, and the Inter-American Development Bank (IDB).

What they do not accept is great price distortions, high rates of inflation, and fixed exchange rates. I think the measures proposed would result in prices consistent with the macroeconomic atmosphere in which we are operating.

[Davila] Are these new inflation and exchange rates in contradiction with the current government policy of letting the dollar "float" with respect to the cordoba?

[Ramirez] Yes. It would represent a small acceleration in the current floating of the dollar with respect to the cordoba, but I am convinced that it is preferable for the country. The current social costs are worse.

[Davila] But with a higher rate of devaluation, what would happen to balances and wages?

[Ramirez] Well, they would have to be adjusted in some way, although I think that, given the extent of unemployment, it would be better to take a look at real wages during the second phase.

The top priority is to get the economy going and create jobs, leaving the wage policy for later. We must be willing to do this.

[Davila] Should these measures be imposed, or should we move quickly to seek a consensus for a new economic policy?

[Ramirez] I think we must engage in serious talks with the various sectors, particularly those that employ large labor forces. The important thing is to be convinced of the need for such changes in order to achieve an economic policy more consistent with the needs of the country's economic recovery.

[Davila] Thank you.

Panama

Foreign Minister Responds to WASHINGTON POST Article

PA2709200693 Panama City Radio KW Continente in Spanish 1200 GMT 27 Sep 93

[Telephone interview with Panamanian Foreign Minister Julio Linares by KW Continente anchorman Homero Londono; place not given—live]

[Text] [Londono] Fellow listeners, we are still receiving reactions to THE WASHINGTON POST publication related to Panama being the second most attractive place to launder drug-trafficking funds. We now have Foreign Minister Julio Linares on the line. Dr. Linares, what can you tell us about THE WASHINGTON POST publication, in which the U.S. State Department has stated that it expects Panama to ratify the Vienna Pact, when they in turn have not yet ratified the MLAT [Mutual Legal Assistance Treaty]?

[Linares] First of all, I believe all Panamanians should be clear on this situation. It is one thing what THE WASHINGTON POST as well as other U.S. media say, and another thing is what the U.S. State Department or other U.S. Government sources may say. Just like in Panama, where the government's position is not always reflected through the media, the same situation occurs in the United States of America; therefore we must separate what the U.S. Government believes and what the U.S. media believe.

With respect to your question, I believe THE WASHINGTON POST is being very unfair toward Panama. It is not only being unfair but to a certain extent it is manifesting tremendous ignorance of what is occurring in Panama.

I agree that Panama should promptly ratify the Vienna Convention, which deals with the illegal trafficking of drugs and psychotropic substances. This convention was presented last week before the National Assembly for its due evaluation, and we expect that it will be approved shortly. Nevertheless, The WASHINGTON POST should remember that most of the negative aspects it cites in its article could be prevented from the moment the United States, concretely the U.S. Senate, approves the MLAT, which was signed by Panama and the United States in 1991.

MLAT was ratified by Panama in 1991; we are now in 1993, meaning that we have been waiting for the U.S. Senate to ratify the treaty for the past two years now. I believe that everything related to drug trafficking and

money laundering is not just the problem of one country but of the entire international community. This is the case, because drugs have now become one of humanity's main problems, but to fight drug trafficking we must all do our share, and THE WASHINGTON POST should start by asking if the United States has really been effective in the struggle against drug trafficking and money laundering within the United States before pointing at others.

[Londono] This past week THE WASHINGTON POST itself disclosed that once they had published the article, the U.S. State Department issued a communique affirming that Panama is an attractive center to money launderers. Has the Panamanian Government exchanged any letters with the U.S. Government on this subject?

[Linares] It is one thing for Panama, as a country, to be an attractive place to conduct laundering activities due to the banking center, free U.S. dollar movement, and our proximity to drug production centers, and it is another thing for this country to be the main or the greatest obstacle to the U.S. antidrug program. These are two different things.

Bankers on Illegal Activities

PA2809012993 Panama City LA PRENSA in Spanish 24 Sep 93 p 11a

[Report by Dorita de Reyna]

[Text] Olegario Barrelier, president-elect of the Panama Banking Association (ABP), believes that the perception abroad is that Panama is not doing enough "to combat criminal activities involving drug trafficking and money laundering."

Barrelier's remarks came in response to an article that appeared on 20 September in the newspaper THE WASHINGTON POST, which asserted that Panama is "the most active center of money laundering for drug traffickers in the Western Hemisphere."

Huge shipments of drugs have been seized in Panama "but the expected results have not been achieved," said Barrelier, who is also president of the Chase Manhattan Bank, although he warned that Panama "does not have the resources required for that war."

The Panamanian banker said, nevertheless, that it is the responsibility of the Panamanian people to safeguard the free zone and the banking center that operate in Panama, which are the pillars of the country's service economy. "Anything that affects them could have a tremendously negative impact," he said.

The Colon Free Zone generates 12,000 jobs and there are 8,000 jobs in the banking center that pay high salaries, surpassed only by the salaries paid by the Panama Canal Commission.

Upon considering that the Panamanian people have a "duty to the country, economically speaking," the ABP president-elect emphasized that this duty is also "fundamentally moral," due to which "we must combat drug trafficking and money laundering."

Let us not forget, he added, that there are people working 24 hours a day to find ways to evade our controls.

Meanwhile, General Bank President Federico Humbert Jr. told LA PRENSA "we must combat money laundering, not because the United States is interested in our doing so but because the Panamanian people are interested and it is our duty."

Humbert said that firm steps must be taken immediately, among which he cited the ratification of the Vienna Convention which, in his opinion, will send a clear signal to the Panamanian people and the entire world that the government (of Panama) is resolutely committed to the struggle against drug trafficking.

The Vienna Convention, which was presented yesterday at the Legislative Assembly by Foreign Minister Julio Linares, deals with the illicit trafficking of drugs.

The convention was sponsored by the United Nations and has already been ratified by over 80 countries, although it is expected to be enforced by the entire international community. Its purpose is for each of the states, within their internal laws, to typify a number of activities involving drug trafficking and money laundering as crimes. Another of its goals is to provide mutual legal assistance in investigations involving these crimes.

Humbert Jr. also palmed off on the government the responsibility of broadening its controls over the management of cash. He suggested that the importation of cash should be obligatorily declared at the country's airports and ports, and very severe punishment should be established for violators.

Humbert also said that the obligation to report cash transactions of over $10,000 should be extended to other mercantile activities and not only to banks.

He added that it is necessary to use and tabulate information regarding cash statements because "it serves no purpose to have huge archives with these forms if we do not obtain from them the information that will allow us to detect irregularities and their perpetrators."

Regarding the role of banks in controlling illegal activities, the banker pointed out "you must know your client, the origin of the money and the people involved" prior to opening an account or accepting a transfer. "All that anonymity stuff is of the past; we are living in a time when people and morality have changed for the worse," Humbert said, adding that he is thus recommending that the rules be adjusted to "these new living conditions."

"We cannot just do nothing, let alone hide behind the argument that more money is laundered in other countries than in Panama," said Federico Humbert Jr., adding that law firms must also "pledge to know the people for whom they organize stock companies."

On this point the president of another local bank, who asked not to be identified, pointed out that the laws governing Panamanian stock companies should be modified "because we cannot tolerate scandals involving money laundering and drug trafficking while the attorneys that represent these stock companies play innocent."

The source who asked not to be identified said the attacks on Panama "through U.S. newspapers" are the result of the United States' inability to make the Panamanian Government "get serious and take proper actions against individuals involved in drug trafficking and money laundering."

In view of its helplessness, the source added, the Americans are attacking the Panamanian economy's weak points, namely, the free zone and banking center.

In reference to a recent case in which a shipment of 5 tons of cocaine coming from Panama were discovered in the United States, the banker angrily pointed out "how can it be that no arrests were made," and added that "it is a shame for Panama and for the Panamanian Government that the people involved in such a scandal are free."

The source also said that "the honest businessmen of this country (Panama)" are concerned that the free zone does not duly sanction people who are involved in drug trafficking and money laundering. Such sanctions, he said, would prohibit them from maintaining offices or businesses in that part of the Atlantic area.

To conclude, he agreed with Federico Humbert Jr. that "we cannot just do nothing."

Ministers Remark on Oil Debt Repayment

PA2709173093 Panama City Radio KW Continente in Spanish 1200 GMT 22 Sep 93

[Report by Carmen Villamote; from the "Continente Radio Clock" newscast]

[Text] Panama's oil debt with Mexico and Venezuela is extremely high, and our country can pay it in at least 20 years, Commerce and Industries Minister Roberto Alfaro has said.

[Begin Alfaro recording, in progress] ....with the Venezuelan Government for 25 years. I have heard a proposal to pay in 15 years. That proposal is not official yet, because we do not have documents making the offer official. We feel, however, that 15 years is a very short period, and the Panamanian Government cannot accept it now, because we are talking about a very high sum of money. We may be able to find a comprise which could mean a negotiation leading to a 20-year term.

In addition, we have not received a communication from the Mexican Government. We are waiting to see if it will accept our original proposal so that we can begin the meetings on the renegotiation of the debt with those governments. [end recording]

Finance and Treasury Minister Mario Galindo said in turn that the debt will be paid gradually.

[Begin recording, in progress] [Galindo] ....I greatly doubt it. We are negotiating and when we reach an agreement we will begin to pay gradually in line with the interests of the Panamanian state. We cannot make payments that exceed prudence and reason.

[Villamonte] How are things going with the Colon Free Zone?

[Galindo] We are working on that. We think it will be operating before the end of this year. [end recording]

Galindo concurred with Alfaro that the oil debt with these nations should be paid within a reasonable period.

Argentina

Minister Criticizes UK Objection to Skyhawks Sale

PY2809030393 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2158 GMT 27 Sep 93

[Text] Buenos Aires, 27 Sep (NA)—Today, Defense Minister Oscar Camilion confirmed that Argentina will not purchase the 36 Skyhawk A-4M aircraft from the United States unless they are fitted with the latest generation radars, something that is being questioned by the United Kingdom. Camilion stated that "I am sure they will not be bought. If we cannot get an appropriate radar, we will have to delay the deal until we can get one."

The Defense Ministry will submit a note to U.S. Ambassador to Argentina James Cheek in which it will request the United States to fit the fighters with Westinghouse APG-68 or APG-66 radars, with a range of 60 and 40 miles respectively.

The United Kingdom questioned the transfer of this technology to Argentina, as it argues that the defense balance in the Malvinas Islands will be seriously jeopardized by such aircraft.

In a statement broadcast by radio, Camilion said that "the U.S. Department of Defense has no objection to selling us the aircraft we want; it is the U.S. Department of State that is opposed to it. They have raised objections and they have the last word on the subject."

Camilion is of the opinion that the objection to selling the equipment "is senseless in light of the fact that we have been taking a very clear line in our foreign policy. Moreover, we have reestablished perfectly normal bilateral relations with Great Britain, and in the realms of trade and finances these relations are excellent," he said.

The defense minister criticized Great Britain's stance on this issue, labelling it "anachronistic," though he said he hoped that this situation "may be overcome, as it should."

The purchase of these fighters from the sixties had given rise to a fierce confrontation between the then Defense Minister Erman Gonzalez and Brigadier Andres Antonietti, the former Air Force chief of staff. Brig. Antonietti had termed the A-4M Skyhawk planes "ancient," but Camilion believes the planes "are appropriate, as one has to bear in mind that we buy what we can afford. If the aircraft were as they are now, it would not be worth buying them, but if they are upgraded, they are then good enough for us," he added.

Camilion pointed out that the A-4M Skyhawks "are not ideal planes, whether they are of the latest generation or the next to last, but once they are upgraded they will be able to serve the purpose for which they have been designed. They will be used so that Argentine Air Force pilots can maintain an appropriate level of training. They are not a strike force, which anyone might lose sleep over," he stressed.

Bolivia

Executive Branch Begins Ministerial Reorganization

PY2809005093 La Paz LA RAZON in Spanish 18 Sep 93 pp A8-A9

[Excerpts] The executive branch officially has a new structure with the promulgation yesterday of the Ministerial Law establishing and regulating the operations of the 10 ministries and 37 secretariats, which had already been operating on an interim basis. [passage omitte d]

According to the new organization, the executive branch has the following ministries, with their corresponding ministers: Ministry of Foreign Relations and Worship, headed by Antonio Aranibar; Ministry of Government [former Interior Ministry], headed by German Quiroga; Ministry of National Defense, headed by Antonio Cespedes; Ministry of the Presidency, headed by Carlos Sanchez; Ministry of Justice, headed by Carlos Morales; Ministry of Finance and Economic Development, headed by Fernando Illanes; Ministry of Human Development, headed by Fernando Romero; Ministry of Sustainable Development and Environment, headed by Jose Guillermo Justiniano; Ministry of Labor, headed by Reynaldo Peters; and Ministry of Social Communications, headed by Hermann Antelo. [passage omitted]

Vice President: Agreements With Paraguay, Success

PY2809001993 Asuncion NOTICIAS in Spanish 26 Sep 93 p 4-5

["Exclusive" interview with Bolivian Vice President Victor Hugo Cardenas by unidentified EL DIARIO NOTICIAS reporter in Santa Cruz de la Sierra, Bolivia—date not given]

[Text] [NOTICIAS] You are an indigenous leader who, from humble beginnings, has climbed to the post of vice president. How can other indigenous peoples, who are discriminated against, follow your example in the quest for their own dignity?

[Cardenas] There are several ways. Circumstances are different in each country, but in Bolivia we worked hard and fought in a tough manner within the democratic system to organize ourselves and to repeatedly participate in electoral processes, to make ourselves known, to expand a serious, thoroughly premeditated, and plural proposal, without excluding anyone, and I think we are reaping what we sowed.

Moreover, in Bolivia there is a new mentality of political leaders under Gonzalo Sanchez de Lozada, who seeks to include everyone instead of excluding anyone. There was

a good opportunity to make a political alliance that allows the indigenous people of Bolivia to progress. We hope other indigenous peoples in Latin America will do the same.

[NOTICIAS] Do you think that, as in your case, other indigenous leaders will emerge in Latin America, following your steps?

[Cardenas] I hope so, although the conditions are different. If this step is good, that it promotes and encourages other indigenous people, well, why not take it.

[NOTICIAS] Do you know the situation of the Paraguayan Indians?

[Cardenas] Yes, I do. I have talked to some organizations in Paraguay, and although Guarani is almost an official language in the country, cultural conditions are always at the forefront. [sentence as published] I have confidence in the Paraguayan Government, headed by engineer Juan Carlos Wasmosy who knows how to build a government for all Paraguayans.

[NOTICIAS] Changing the subject a little, how do you view the agreements and cooperation projects signed between Paraguay and Bolivia?

[Cardenas] I think they represent concrete steps to improve relations between Bolivia and Paraguay, taking into account the fact that both countries have dynamic and pragmatic presidents. Those ties are being built on pillars which look toward the future and not at past events. I think these agreements are positive for the two countries, and projects like the waterways and the Transchaco highway, among others, will be very important for the two nations.

[NOTICIAS] How do you see President Wasmosy's proposal to found towns on the borders of Paraguay, Bolivia, and Argentina, to break the isolation of the Chaco region?

[Cardenas] I think it is possible. Knowing the two presidents I am confident and optimistic, because other dreams which could be considered impossible were achieved by them, so why not in this case? Besides, these border towns will greatly benefit both Bolivia and Paraguay.

[NOTICIAS] Are you confident that this ambitious project will be achieved during the governments of Wasmosy and Sanchez de Lozada?

[Cardenas] If not, I think at least the necessary steps will be taken.

Brazil

IMF, IBRD Directors Await Cardoso 'With Open Arms'

PY2709211793 Rio de Janeiro O GLOBO in Portuguese 26 Sep 93 p 40

[Article by correspondent Jose Meirelles Passos]

[Text] Washington—From the strategic point of view, Finance Minister Fernando Henrique Cardoso's first day in Washington was the most important on his agenda. He had two vital meetings scheduled for late yesterday afternoon. The first meeting was with World Bank (IBRD) President Lewis Preston, and the other with IMF Managing Director Michel Camdessus. They were both waiting for the finance minister "with open arms," an IMF source said. "Both Camdessus and Preston are more concerned about listening to Cardoso's plans. They will speak very little; there will be more questions from them than advice. At this point, the Brazilian Government knows the Camdessus song by heart: A severe fiscal adjustment and a well-designed macroeconomic policy will be necessary. It is no longer possible to make halfway reforms," the IMF source said.

Camdessus himself avoided giving further details on the conversation. He only said that he had "great hopes" that this time Brazil will come to the IMF with a well-planned economic program, and above all with the political willingness to implement it; for there is no more time to waste, with the risk that the social situation could deteriorate. Moderate measures to alleviate the situation will not last long, he said. "Above all there is a need for macroeconomic stability. Without that, it is impossible to build a social security system," Camdessus told O GLOBO.

The expectation that the adoption of an economic program will find internal political obstacles, because Brazil is beginning an electoral season, was minimized by Camdessus.

Future IMF Director Visit

PY2709214493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Sep 93 Economic Section p 1

[Text] Washington—Finance Minister Fernando Henrique Cardoso has told O ESTADO that IMF Managing Director Michel Camdessus will come to Brazil for the crucial stage of our negotiations to discuss an economic stabilization agreement. Cardoso arrived in Washington yesterday to participate in the annual IMF-World Bank assembly. He met with Camdessus during the afternoon, characterizing the meeting as "brief contact. The most important part of our dialogue will be held in Brazil," Cardoso said. Camdessus has already agreed to come to Brasilia but the date has yet to be set.

Minister Cardoso said he is "very sad" with his party, the PSDB [Brazilian Social Democracy Party], and with

some deputies' opposition to the process of constitutional reform. Cardoso seems particularly dejected with the attitude of Deputy Jose Serra, an old friend and ally, who has already decided to oppose a constitutional reform.

Cardoso disembarked yesterday at the John Foster Dulles Airport on a mission to soothe expectations. He said: "I do not bring you any program," adding: "I do not know the constitutional reform will happen."

This attitude will not impress officials with whom the minister will meet and who have placed great expectations on vigorous fiscal, structural, and anti-inflationary actions.

Finance Minister Endorses Constitutional Review

PY2709214693 Rio de Janeiro O GLOBO in Portuguese 26 Sep 93 p 40

[Article by special correspondent Sergio Leo]

[Text] Washington—Yesterday, Finance Minister Fernando Henrique Cardoso endorsed an immediate constitutional review, as established by the Constitution. He said that without this review the government will be forced to advance "strong" measures, especially in the fiscal area. Speaking to O GLOBO upon his arrival in Washington, where he will participate in the yearly meeting of the IMF and the World Bank, Fernando Henrique emphasized that, contrary to a suggestion made by Pedro Simon, a former government leader in the Senate, the government will insist on the necessity of making a constitutional review.

The minister said: "The review was decided upon during the National Constituent Assembly. I was there. Postponing it now represents a specious argument by the PT [Workers Party], the PDT [Democratic Labor Party], and the PC do B [Communist Party of Brazil]."

In Fernando Henrique's opinion the timing may not be the most appropriate, politically, for a review, but it is necessary to respect what has been established in the Constitution. A five-year period ending on 5 October was established for a review, and it must be complied with.

Fernando Henrique said that contrary to remarks made by Senator Pedro Simon, neither he nor President Itamar Franco supported the idea of replacing the review with broad constitutional amendments, including the government's points of interest.

The minister asked the judicial branch and Congress to cooperate in cutting expenses. He complained that new decisions by the other branches, increasing the problems in settling the public accounts, catch him by surprise every week. The finance minister said: "Contributions for the Finsocial [Social Investment Fund] (Confins) have not been decided so far. In one week I received a new $7.5 billion bill, along with the suspension of the IPMF [Provisional Tax on Financial Operations] and the payments to retirees."

The government is drawing up proposals for a constitutional reform, which it intends to discuss with congressmen. The list includes reorganizing social security and changing the tenure of public servants and the distribution of federal, state, and municipal obligations. The minister noted: "I was drawing up a document when Simon arrived with a paper and some calculations, saying there was a difference of 10 votes concerning a quorum requirement for review and approval of constitutional amendments."

Daily Says Economic Policy 'Corroding' Cardoso Image

PY2709230793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Sep 93 Economy and Business Section p B4

[Article by correspondent Paulo Sotero]

[Text] Washington—The conversations held yesterday afternoon between Finance Minister Fernando Henrique Cardoso, World Bank President Lewis Preston, and IMF Managing Director Michel Camdessus mark the beginning of what U.S. Government officials and multilateral financial organizations officials regard as the last opportunity for Brazil to regain credibility in the eyes of the international community and to avoid a domestic catastrophe.

Official sources have stated that Cardoso will find all the support he needs to implement the second stage of the program against the fiscal deficit and to deepen the structural reforms that he preaches. His diagnosis of the crisis is considered perfect yet the delay in adopting the measures in view of soaring inflation, growing pressure for unorthodox measures, the unsuccessful search for a political solution to immediately reach agreement with the banks, and the confusing signals that Brasilia has given in the past few days, even by the minister himself (his remarks about the adoption of a single exchange rate system), have intensified doubts in Washington and are corroding Cardoso's image.

At a government office last week, the following question was posed, implicitly alluding to the minister: "Where is the courageous person Brazil needs now?" Cardoso, who became finance minister with a halo of a providential leader and viewed as the only one able to organize a coalition in Congress to back an effective stabilization, has increased the expectations of his interlocutors in Washington with positive stories, by phone, of the domestic situation.

It is said that the time for action has come. The Treasury Department wants to know what "prior actions" the economic team will carry out in the fiscal field before the

Constitution is reviewed. The start of negotiations for a formal stabilization agreement with the IMF is subject to these measures.

A high ranking IMF official made it quite clear that negotiations will not progress until the government implements a "true" stabilization policy. The Treasury Department has blocked an agreement with the banks, despite the latter's efforts to prevent it from doing so, by conditioning the issuance of the agreement guarantee bonds [bonus de garantia do arranjo] to a stand-by [preceding word given in English] loan to Brazil from the IMF.

This attitude reflects the impatience and frustration Washington feels, which surpasses the issues of agreement, postponement, or cancellation of which is already regarded a working theories. The argument on the impossibility, from the political viewpoint, of implementing a stabilization program in Brazil does not impress anyone. The country's instability is beginning to be regarded as unjustifiable, only maintained by the interests of an unsuccessful elite which favors inflation. The theory that Brazilians who have access to indexed currency might have to experience hyperinflation is beginning to materialize.

* Franco Political Group Formulates New Party

93SM0422C Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Aug 93 p 5

[Article by Andrew Greenlees: "Itamar's Group Formulates New Party"]

[Text] Gathering strength within President Itamar Franco's political group is a plan to form an alliance in support of a candidate for president of the republic in 1994 and, if possible, to transform that alliance into a new political party.

The idea is to base the plan on three men: Governors Luiz Antonio Fleury Filho (PMDB [Brazilian Democratic Movement Party], Sao Paulo) and Helio Garcia (independent, Minas Gerais) and Minister of Finance Fernando Henrique Cardoso (PSDB [Brazilian Social Democracy Party]). The candidate would be one of those three, with Fernando Henrique and Fleury having the best chances.

The organizers themselves admit, however, that the plan depends on Itamar's performance in office. They reason that the administration does not need to be a success but that it needs to reach 1994 with reasonable credibility in order for them to launch their candidate.

Concerning the formation of a party, the organizers admit that there are operational difficulties such as the holding of regional conventions in time for the 1994 elections. They point out, however, that the picture will not become clear until the election law is passed, since that law will establish deadlines for the registration of candidates in political parties.

In recent weeks, Fernando Henrique and Fleury have started acting in harmony. The governor is making public statements in support of the economic policy and saying that the country's stability depends on its success. And the minister made it a point to consult Fleury regarding the choice of a new president for the Central Bank. The two men have been exchanging telephone calls every day.

In Helio Garcia's case, the group closest to Itamar anticipates an agreement on joint action in connection with the presidential election and the gubernatorial election in Minas Gerais.

The selection of a candidate and the possible organization of a new government party are also directly dependent upon the situation in the PMDB. A split is expected to result if former Governor Orestes Quercia or former President Jose Sarney seeks the party's nomination. The so-called Rio Grande do Sul group would move in the direction of an agreement with the PSDB. The question then is whether Fleury would really go along with the plan—as Planalto Palace wants him to—or whether his rapprochement with Fernando Henrique simply reflects his interest in renegotiating Sao Paulo's debt to the Union. Also not clear is the size of the PMDB dissident group opposing Quercia or Sarney.

Hasty Statements

At the Governor's Palace in Sao Paulo, the report of a possible alliance between the PMDB and the PSDB at this point is being downplayed. Statements to that effect are considered hasty, and in the opinion of Fleury's political group, the agreement is encountering resistance in both parties. If there is an alliance, it will have to be along the lines planned by Planalto Palace. The governor feels that the matter should not be discussed before the end of the year.

A friend of Itamar's, Federal Deputy Raul Belem (Minas Gerais), recently started a new party called the PSDL [expansion not given], but his action is not part of the movement by the group linked to the president.

* INPE Develops Engines Using Liquid Propellants

93SM0422D Sao Paulo GAZETA MERCANTIL in Portuguese 28 Aug 93 p 12

[Article by Virginia Silveira: "INPE Intends To Develop Engines Using Liquid Propellants"]

[Text] Sao Jose dos Campos—The propulsion group in the Department of Space Engineering and Control at the National Institute of Space Research (INPE) has begun carrying out a project aimed at mastering the technology for producing bipropellant liquid fuel propulsion units.

According to project coordinator Jose Nivaldo Hinckel, producing such an engine will give the INPE expertise in

the development of apogee motors, which are a possible replacement for the final stage of the Brazilian Satellite Launch Vehicle (VLS).

Engines based on liquid propellants perform better than solid fuel propulsion units when it comes to placing a useful payload in orbit. The INPE project calls for producing bipropellant liquid fuel propulsion units with a thrust of 1 metric ton, or 10,000 newtons. Kerosene and liquid oxygen will be the propellants used.

According to Hinckel, research is to be financed with funds from the National Council for Scientific and Technological Research (CNPQ). Producing the prototype engine will cost at least $500,000.

The phases of designing, fabricating, and testing the engine should be completed within 18 months, according to estimates by the INPE's propulsion group. The technology for liquid fuel engines is already widely used in rockets operated by the developed countries. In Brazil, according to Hinckel, the use of that type of engine is essential for developing a launch vehicle capable of placing a payload of several metric tons into orbit.

The Brazilian VLS rocket, which is being developed by the Aerospace Technical Center (CTA), was designed with solid fuel engines. On average, that type of engine requires from five to seven metric tons of fuel, whereas liquid fuel engines use a minimum of one metric ton. Solid fuel engines burn from 40 to 50 kg of propellant per second, while liquid fuel engines use only four kg per second.

Technological Lag

Brazil lags far behind in the development of liquid fuel technology. The U.S. rocket Saturn V, which took man on the moon in 1968, already had engines with that feature. Hinckel comments: "To develop it, they had to produce 50 different test models."

The INPE propulsion group has been developing liquid fuel engines since 1988. The program began with the development of hydrazine catalytic engines with a thrust of two newtons for use in the attitude and orbital control system for the remote sensing satellites (SSR's) operated by the All-Brazilian Space Mission (MECB).

According to Hinckel, the satellites in the SSR series will be equipped with 12 propulsion units each for three-axis control, with six of those engines being redundant. The propulsion units, controlled either by the satellite's onboard navigation system or by commands sent from earth stations, provide the satellite with impulses that maintain and correct its orbit and attitude.

The project has already spent $500,000. The INPE has already produced and tested three models of those propulsion units and is currently preparing to test the qualification model. The INPE's liquid propellant propulsion units also required the development of an engine with a thrust of 115 newtons for use in controlling the roll of the VLS (that is, preventing the rocket from moving around its main axis).

The prototype engine has been tested for an accumulated total of 15 minutes: "That is longer than is required for the engine's life cycle during the mission, when the total operating time is only a few minutes," he explained.

Chile

Aylwin: Transition to Consolidated Democracy Over

PY2709212793 Madrid EFE in Spanish 1841 GMT 26 Sep 93

[Text] Santiago, 26 Sep (EFE)—Chilean President Patricio Aylwin stated today, 26 September, that the Chilean transition has concluded in the sense that democracy has been consolidated and that "no show of force [boinazos] by the Army nor liaison maneuvers" will jeopardize its stability.

In a lengthy interview published today by the Santiago newspaper LA EPOCA, the Chilean president, a few months before the end of his term in office, admitted, however, that the democratic institutional system needs improvement and that some problems linked to human rights still prevail and will prevail for decades.

Referring to the show of force staged by the Army on 28 May 1993 and in December 1990, Aylwin said: "The stability of the democratic system will not be jeopardized by a show of force by the Army or by liaison maneuvers. My term in office will end, and a new president and a new Congress will be elected in December; the new president and Congress will assume office in March and the country will continue on the democratic institutional path. I think this part of the transition has been concluded," Aylwin told LA EPOCA.

The Chilean president expressed his annoyance over reports, especially abroad, that Chile is run by a cogovernment between him and General Augusto Pinochet. He said that such reports are "absolutely groundless. It is foolish and is not in keeping with reality. It is a caricature. Why? Because a new story must be made up," he added.

President Aylwin said the fact he regrets most is that during his four-year government, it was not possible to conclude a greater public explanation of the human rights issue and, despite the progress achieved concerning social equity, there is still a lot of poverty in Chile.

Aylwin referred to the failure of his project to resolve the human rights issue through rapid trials of those military men accused of type of crimes during the military regime (1973-1990), an initiative rejected even by his allies from the Coalition of Parties for Democracy. He said: "I did everything possible and failed; what can we do?" He is confident that there will be a new opportunity in the

future. Aylwin admits that this failure hurt him a lot and that he felt frustrated because "I thought the project would open a new path. What else could I do? I closed the issue."

The president said the 11 September disturbances, which ended with two people dead and several injured, is evidence that the human rights problem is still unresolved and will continue this way "probably for a long time. The issue is worn out but nothing else can be done. It is a wound that will continue open and will continue to cause problems."

Referring again to the issue of the alleged cogovernment with Gen. Pinochet, Aylwin said his relations with the Army commander are no different from those he has with the other commanders of the Armed Forces "which are institutional." He denied that the "Army show of force" last 28 May was an act of cogovernment.

Aylwin added that he feels generally satisfied with his government because a great economic stability was achieved and the democratic system is functioning despite its shortcomings. He said there is a climate of peaceful coexistence in which government and the opposition, as well as businessmen and workers, seek consensus. "Today, we Chileans are no longer deeply divided, although there may be differences. We respect those differences," Aylwin said. He added that the predictions of political chaos and economic recession by sectors close to Pinochet, when I assumed the government in March 1990, have been proven wrong.

In the political field "there has been a climate of national unity and a fully democratic system. Economically there has been continuous and tremendous growth," Aylwin said. Among the main economic achievements during his administration, he mentioned the growth in domestic production and investments, the drop in inflation and unemployment rates, and the environment of social peace established by basic agreements between businessmen and workers.

Chile Proposes New UN Structure at General Assembly

PY2809033493 Santiago Radio Cooperativa Network in Spanish 2300 GMT 27 Sep 93

[Text] Today, the Chilean Government made a proposal to the United Nations within the framework of its General Assembly. Chilean Foreign Minister Enrique Silva Cimma, during his address to the 48th UN General Assembly today, said that the right to veto, which some nations have within the UN Security Council, does not represent a democratic way of making decisions. In his speech to the UNGA at 1830 today in New York, Silva Cimma assessed the way the UN functions.

The foreign minister said that it is important that the various regions of the world be represented in this organization, charged with safeguarding peace, which makes it possible to link the idea of democratization with the necessary equilibrium. The minister then went on to say that the right to veto within the Security Council cannot be granted to new permanent members. Silva Cimma categorically said: We want to express our opposition to extending this right to new permanent member countries.

The Chilean foreign minister then went on to propose a new Security Council structure which, in his opinion, should include permanent members, permanent members without a right to veto, regional members with an extended mandate, and non-permanent members.

Further on in his 19-page speech, the minister voiced his concern over the prospects for the Uruguay round of GATT talks and noted that the resumption of negotiations in a search for new rules for world trade opened some hopes, but noted that the so-called (Dunkel) text on which the negotiations are based is, however, far from meeting the legitimate aspirations of the member countries, although it represents a great step forward compared to the current situation.

Silva Cimma then recalled that the greatest difficulties in the negotiations lie in the trade of agricultural goods, a key issue for developing countries. In this regard he said that to insist on inflexible positions that decidedly jeopardize world trade only creates unsurmountable barriers for development and we cannot remain impassive before these attitudes.

In general terms, Silva Cimma noted Chile's desire to take part in multilateral initiatives, especially those which contribute to social development. He voiced his hope that the Summit for Social Development scheduled for 1995, proposed by President Patricio Aylwin, will approve a program or agenda for the people of the world.

CPPD Candidate Frei Announces Government Platform

PY2709210193 Santiago Radio Cooperativa Network in Spanish 1100 GMT 27 Sep 93

[Excerpts] A government for Chile, looking to the future, based on solidarity and centered on combating extreme poverty and developing the country was announced yesterday by Senator Eduardo Frei Tagle, presidential candidate for the Coalition of Parties for Democracy [CPPD] as he detailed the guidelines of his government platform. He announced this before an audience of nearly 1,000 union, community, and CPPD leaders in the Gran Palace theater. Frei's government platform is called: "For the New Times." He said his program is focused on promoting development, especially among the most neglected sectors of society. [passage omitted]

Frei said his administration will accept these challenges with decision in order to fully develop the country. He announced an educational reform for young men and women thinking ahead to the twenty-first century. He added that it is essential to modernize the national

infrastructure and to make the regionalization of municipalities the basis of Chilean democratic life. Together with these reforms, he said, he will immediately deal with pending problems in the fields of health, environment, and citizen security. He will also promote the necessary changes to fully develop Chilean democracy.

[Begin Frei recording] We propose, among other measures, issues suggested during the Aylwin presidential campaign: A reform of the electoral system, direct elections for municipal authorities, recovering the presidential prerogative to appoint the commanders in chief of the Armed Forces. [applause] I reiterate, this is not a personal problem. It is a problem of principles. In a democracy, no one can be appointed for life. Chilean presidents have always demonstrated their capacity to assume this responsibility. [end recording]

Frei added that his administration will be totally open and he endorsed a national reconciliation.

[Begin Frei recording] We have seen the experiences in many countries where corruption has caused the downfall of their governments. We are inflexible on this subject. We do not accept any corruption. Politics have a basic ethical and moral commitment for us. We will never forget this during our administration. [applause]

If we want to fulfill Chile's commitment to itself and history, we must totally assume the principle of national reconciliation. We will never overcome this pain if we do not undergo a deep process of reconstruction in our national identity, until each one of us is recognized as part of a same community. For this purpose we will ask for respect for those who fell and for compensation for the families who are still waiting for a [word indistinct] basic human gesture that they cannot be denied. [applause] [end recording]

In conclusion, Eduardo Frei said:

[Begin Frei recording] The voice of the new times is that of all of us, but it is also the voice of those who are no longer with us. Many more would have liked to have joined their voices to ours but they closed their eyes with a pain in their hearts, dreaming, yet unable to see this happiness we have recovered. Today we tell them from here that their worries and efforts were not in vain. Their absence does not represent silence. Their children have stood up and through our voices they are also announcing, inaugurating, and conducting these new times of hope for Chile. [end recording]

Frei called on all Chileans to fulfill their destiny as free men and women in these modern times.

Survey Shows Frei Leads Presidential Race

PY2709202193 Madrid EFE in Spanish 1640 GMT 26 Sep 93

[Text] Santiago, 26 Sep (EFE)—According to a survey by the private consulting firm "Geminis," which was published in Santiago today, 57.1 percent of Chilean voters would vote for Eduardo Frei, the Christian Democratic Party presidential hopeful, if next December's presidential elections were held today.

Frei, representing the right wing of the ruling coalition, has headed all the surveys this year by a large margin and is considered the sure winner of the 11 December election. Second is right wing candidate Arturo Alessandri Besa, with 19.3 percent, and third is economist Jose Pinera, a right wing independent who obtained 4.6 percent.

The Geminis survey shows that 78.1 percent of Chilean voters think Frei will obtain the absolute majority on 11 December and a runoff election will not be necessary. Only 17.9 percent of those questioned think a runoff election will be necessary.

Regarding the congressional election to renew the entire Chamber of Deputies and half of the Senate, the ruling coalition is preferred by 51.6 percent of the voters while the right is preferred by 25.3 percent. A total of 4.9 percent of the voters said they would vote for left wing parties, which are not represented in Congress. Some 10.5 percent of those questioned were undecided.

The Christian Democratic Party leads the list of political parties with 27 percent, second comes its center-left ally Party for Democracy (PPD), which has 5.3 percent of the voters. In third place is the Socialist Party, which is also a member of the ruling coalition and which has 5 percent of the vote. Then come the right-wing National Renewal (RN) and Democratic Independent Union (UDI) parties with 4.2 percent and 3.3 percent, respectively. The Communist Party, which leads the left, is not represented in Congress but is supported by 2.1 percent of the voters.

Colombia

* Gaviria Warns Against Closing Economy

93SM0445A Santa Fe de Bogota EL TIEMPO in Spanish 4 Sep 93 p 2C

[Article by Marcela Escobar Ramirez]

[Text] Cali. Attempting to close the economy, even slightly, would cause "massive" damage to the nation, said President Cesar Gaviria Trujillo, speaking at the closing session of the 37th National Assembly of Fedemetal [Colombian Federation of Metal Industries].

The chief executive, in a clear allusion to statements by presidential hopeful Ernesto Samper, said he does not understand what people mean when they call for gradualism.

He said we have to accept the rules as they are and not try to keep changing them. "Let us not fall into the temptation of closing the economy."

Gaviria stated emphatically that Colombia needs imports and we have to learn how to assimilate this phenomenon. He recognized that unfair competition has caused problems for Colombian industry, but said that mechanisms such as minimum import prices and the antidumping law should not be converted into a disguised protection mechanism.

He also responded to those who have expressed concerns about an economic slowdown, saying their evaluations are not well-founded. He added that we cannot even say there is a deceleration in the economy.

He presented the latest figures on the rise in industrial production, which in May had a 4.85 percent growth rate. Nor did he share the private sector's concerns about market penetration by imports.

Still, he did say that some sectors like textiles have had problems this year, but he noted that this is not affecting all areas of the economy. He said the government does have to improve customs operations, which does not mean that he is thinking about dropping the customs reorganization plans. Perhaps customs should increase visits to importers and physical appraisals of merchandise.

No Short-Term Approach

In a joking tone, Gaviria said he realizes that he cannot keep trade associations from "yelling," but he urged them to stop worrying about short-term problems like exchange rate movements so they can instead take control of economic variables that really are important.

He emphasized that it is time to be concerned about keeping a close watch on government spending and monitoring fiscal surpluses or deficits, as these are the variables that will determine the policies set by the Bank of the Republic in economic matters.

Concerning the proposals that the government adopt an industrial policy like those in Japan or Korea, where there is definite government intervention to promote specific economic sectors, he said the Colombian government is not prepared to adopt this system.

"May God preserve us from such industrial policies," said the chief executive. He recalled that there have been "disastrous" experiences in Latin America with such policies. And he insisted that the best route to follow is to maintain clear and transparent operating rules for the entire economy.

In response to the private sector's complaints about excessive energy cost increases, Gaviria said he is sure that next year the situation will improve with the operating surplus that will exist in the electricity sector. He added that the advances taking place in private energy generation will also help in this area.

Concerning the free trade treaties Colombia is working on, he indicated that he is pleased that businessmen are saying that the process is going slowly, since last year they protested that it was moving too fast. In addition, he said that the private sector is the area that is least afraid of competing in Latin America and that it displays the greatest confidence in its strengths.

Fedemetal's president, Luis Gustavo Florez, reiterated that the Achilles heel of economic liberalization is unfair trade practices that undermine business stability. He felt that the government should give priority to having data available on the nation's foreign trade and to streamlining procedures in dumping cases.

[Box p 2C]

Samper Announces Selective Protection

Liberal presidential hopeful Ernesto Samper Pizano said that his economic development program will execute the second phase of the economic liberalization process.

Samper said it is necessary to impose gradualism and selectivity on the process. He said this does not mean raising tariffs, but rather giving protection to sectors that deserve it.

In addition, the presidential candidate said he advocates placing high tariffs on imported products that unfairly impact Colombian production, and cited the specific case of textiles.

He said the important thing is not just for Colombia to import goods, but also that its exports be increased; there must be reciprocal openness.

His program is based on agricultural reconversion and industrial modernization.

The three mechanisms through which he intends to spur industrial development are investing in human resources, in scientific and technological projects, and physical infrastructure.

Samper said he favored using stimuli like CERT [Tax Reimbursement Certificates] for some export products.

* Gaviria Defends Economic, Law Enforcement Policies

93SM0405B Cali EL PAIS in Spanish 8 Aug 93 p B1

[Interview with President Cesar Gaviria in Bogota; date not given: "The Guerrillas: Dinosaurs on Their Way to Extinction"]

[Excerpts] [Passage omitted] [EL PAIS] Mr. President, for three years now, we have been talking about the *apertura* [economic liberalization program], saying it has to be expanded, but now we have the "safeguards" [mechanism to protect agricultural products against a drop in international market prices], the price bands, and restrictions. Does this not amount to a return to semi-protectionism and a step backwards?

[Gaviria] No. In international trade, all countries, even the industrialized ones, face problems of dumping,

unfair competition, and subsidies. We would have had them with or without the liberalization because they are problems inherent in international trade. Our measures are aimed at solving these problems.

[EL PAIS] Exporters still do not know what their government plans to do about the revaluation.

[Gaviria] Responsibility for the exchange policy is now borne more by the Bank of the Republic than by the government.

To a great extent, this is the result of the success of the Colombian economy, the large volume of foreign exchange revenue, the repatriation of capital, and the export process. The exchange rate ends up being defined by the market, and neither the government nor the Bank of the Republic has the capacity to set it arbitrarily.

[EL PAIS] The current economic process has experienced several failures. First of all, no new Coffee Pact was achieved.

[Gaviria] The Pact has little to do with economic policy. It was a process of international negotiation in which we supported the Coffee Growers Federation, but were unable to reach an agreement.

[EL PAIS] Second, the textile sector is on the brink of collapse.

[Gaviria] I think it would have been impossible for the entire process of internationalization and liberalization not to have had snags for some sector of industry. In textiles, one or two companies have suffered losses, while others have turned a profit. We have already taken measures to establish official import prices.

[EL PAIS] Third, agriculture is the sector with the worst results.

[Gaviria] I do not think that most of the problems in agriculture stem from the liberalization. Rather, most of them stem from the drop in international prices, which is totally unrelated to the liberalization. The second reason is the revaluation of our currency, which was no worse than it was precisely because of the liberalization.

[EL PAIS] But when will things get better in agriculture?

[Gaviria] A full recovery will not be achieved until there is a recovery in international prices. The clearest example of this will be the coffee economy. As international prices continue to improve, that sector will emerge from its difficulties.

[EL PAIS] And what can you offer farmers for this last year of your government?

[Gaviria] We have already launched a Revival Plan which includes a process of refinancing, more intensive use of price bands, the suspension of certain imports as a result of dumping or subsidies, and a strengthening of the Agrarian Fund. [passage omitted]

[EL PAIS] The liberalization has strengthened certain sectors, but the 10 million Colombians who live in absolute poverty do not see the benefits of that policy.

[Gaviria] All Colombians benefit from good economic growth resulting from the liberalization. Consumers benefit from a relative drop in the prices of many products and there are already more options. National monopolies now face competition.

The liberalization is a plan to make the economy more efficient and competitive and to increase the rate of growth. However, it does not solve the problems of poverty that require a longer-term effort with sustained growth over many government administrations.

[EL PAIS] Does that mean that your government failed in its social program?

[Gaviria] No. We made a major effort in social spending, education, health, drinking water, and housing. We are now reaching the people with direct subsidies rather than through bureaucratic entities that were siphoning off social investments.

[EL PAIS] If social spending has increased, so have government expenditures. The board of directors of the Bank of the Republic has repeatedly warned the government about the risk of a fiscal deficit.

[Gaviria] The Bank is absolutely right because if we are not careful and if we do not have sufficient financial control by the public, then the government will get out of hand, as will our officials and our institutions.

[EL PAIS] That board seems very anxious to oblige you. Is it true that it minds the government on everything and never contradicts it?

[Gaviria] No. The board's independence has been a very good experience. What has happened is that the president, his economic team, and the board are always closely identified with one another. [passage omitted]

[EL PAIS] Mr. President, once again dozens of terrorists are about to take to the streets, there are midnight decrees.... Is the government lurching along in its legal planning of law enforcement measures?

[Gaviria] The country is going through a complex phase of transition as a result of a constitutional change and a good deal of political, social, and economic legislation without precedent in the country's history. This has resulted in some mistakes. We think that in general, the effort toward the institutional, economic, and social modernization of our legislation has been a success.

[EL PAIS] Is your government the "government of internal disturbance," as others have been governments of a state of emergency?

[Gaviria] No one can claim that security problems can be solved without taking measures. Our policy has had very

good results. There is an ostensible decrease in kidnappings and guerrilla attacks. The number of guerrillas who have been caught, killed in fighting, or who have surrendered has doubled.

[EL PAIS] Then there will be no new dialogue with the FARC [Revolutionary Armed Forces of Colombia] and the ELN [Army of National Liberation]?

[Gaviria] That depends on them, not the government, which has always tried to find political solutions. They have to say whether they are a kind of dinosaur or antediluvian species that still clings to violent, terroristic forms of behavior, fighting for a political system that exists nowhere in the world.

[EL PAIS] Will Pablo Escobar remain at large at the conclusion of your administration?

[Gaviria] I hope not. That is an important task facing our courts and our law enforcement forces and I hope they can complete it.

[EL PAIS] But do you think they will catch him? [passage omitted]

[Gaviria] I do not know.

[EL PAIS] Rings of traffickers in the Cauca Valley have gotten close to the Prosecutor General's Office. Will these organizations be broken up during this final year of your government?

[Gaviria] I hope so. As in the case of the guerrillas, that depends on them, not on the government or the Prosecutor's Office, with respect to the surrender policy. [passage omitted]

[EL PAIS] Some say the 1991 Constitution will be short-lived, that it is more of a counterreform.

[Gaviria] I do not agree, but clearly the constitution was never intended to be an article of faith, as shown by the fact that it provides mechanisms for its own reform. The country will very likely require new constitutional developments. Rather than counterreforms, there may be reforms.

[EL PAIS] Everything indicates that the Liberal Party will go into the next elections divided. Do you feel responsible for that division?

[Gaviria] I would not say that "everything indicates." Everything indicates that political parties in Colombia are always divided.

[EL PAIS] Samper and Pastrana are already criticizing your government even though they are on your Cabinet. Isn't that incongruous?

[Gaviria] I would not have expected those two or any of the other candidates to feel they had any obligation of solidarity. Every presidential candidate puts together a political alternative to govern Colombia, has his own vision, and contrasts it with government policies.

[EL PAIS] This Legislature and Congress start off once again peppered with scandals and a call for an investigation of the president of the Council of State. How do you view this Congress which public opinion, not newsmen, continue to challenge?

[Gaviria] I think Congress has undergone a dramatic change, that it has handled an impressive volume of legislation these past two years. This does not mean that there are not members who make mistakes, which is logical in a body of 260 lawmakers.

[EL PAIS] Is your answer not a way of showing gratitude for how obliging Congress has been with you?

[Gaviria] Congress has not been obliging with the government. The proposals we present usually encounter a critical attitude in Congress, which transforms and changes them.

[EL PAIS] Three basic proposals for the last year of your administration.

[Gaviria] The tasks still before me are: to pass the Social Security law, consolidate law enforcement legislation and the policy to strengthen the Armed Forces, strengthen the economic liberalization, and possibly achieve some additional results in terms of peace and the policy of surrendering to the courts.

* Gaviria Rejects ACOPI President Criticism

93SM0436A Medellin EL COLOMBIANO in Spanish 20 Aug 93 p 4B

[Article by German Jimenez Morales: "ACOPI Is Exaggerating"]

[Text] *The chief of state repeats that the government is not hurting industry, and that the guild does not mention its success in the fight against inflation, which in the first 10 days of August dropped below 20 percent.*

Santa Fe de Bogota—With new spurs, possibly from the rooster recently given to him by the periodical CAMBIO 16 COLOMBIA, Cesar Gaviria Trujillo defended himself against the 21 harsh criticisms leveled at him by ACOPI [Colombian Association of Small Industry] President German Bula Escobar.

In a marathon speech lasting an hour and 15 minutes, the chief of state said that he does not share the pessimism of the guild official, that industry is not being hurt, that the *apertura* [economic liberalization] is irreversible, and that small and medium-size businessmen will be the pillar of our country's growth.

At the opening session of the guild's annual congress held in this city, Gaviria recalled that the liberalization was not carried out in secrecy. Rather, the process was announced during the political campaign and reemphasized when he took office. Based on this model, the rules of play are the same for all sectors and as a result, the role

of the guilds no longer consists of lobbying in government offices, but rather, of becoming active partners in the economic policy. In short, sectorial gains have been left behind.

The president feels that the internationalization of the economy is yielding good results. The first year was not as dramatic as feared, but all in all and even with the violence, the slump, and the world recession, growth was 3.6 percent. Certain sectors that thought they were highly vulnerable were not hit that hard. For example, contrary to all expectations, the automotive sector marked up one of the best years in history and is still growing at rates of over 70 percent, including imports as well as national production.

According to the chief of state, even the behavior of business profits in 1992 masks a phenomenon. The liberalization and resulting reduction in costs enabled companies registered with the securities exchanges to increase their profits by over 70 percent. This phenomenon will not be repeated in 1993, not because the economy is weakened, but because of greater competition on the market.

As a result, the president said he would be concerned if, in the days ahead, profits were to continue to rise at a faster rate than inflation.

Adjustments

Gaviria Trujillo also thinks the view taken of problems in 1993 is an exaggerated one.

"Fortunately, ACOPI did not speak of a recession because, according to DANE [National Administrative Department of Statistics], industry grew 5.97 percent from July 1992 to July 1993."

This in itself would prove that the "liberalized" model is bearing fruit. Surveys conducted by the large, medium-size, and small businesses themselves indicate that expectations for the second half of the year are definitely reasonable.

Even so, the president did not ignore the need to make certain adjustments in the liberalization, including learning to defend ourselves against unfair trading practices such as dumping, underbilling, and subsidies.

Gaviria also noted that in the face of the oil boom, he does not have to account for his actions to the ACOPI president; that will be the task of the next head of state. Whatever the case, at least until that windfall is exhausted, the economy must be kept open. The process is irreversible and depends very little on the good intentions of presidential candidates. Given this phenomenon, there will be no choice but to liberalize the economy even further. Otherwise, the revaluation of the peso would break exporters. It would be more appropriate to consider a fiscal and monetary adjustment or even a surplus in government finances.

* Comptroller General Condemns Corruption

93SM0405A Cali EL PAIS in Spanish 8 Aug 93 p A2

[Article: "Corruption Plagues Institutions"]

[Text] *The comptroller general speaks out in Santa Marta.*

The official said that no one believes in Congress, the assemblies, or the judges and that as a result, no one will defend the government. Corruption in the interior is worse than along the coast, he claimed.

COLPRENSA, Santa Marta—Administrative corruption is endangering our institutions, Comptroller General Manuel Francisco Becerra Barney said here in remarks made as he presided over a seminar sponsored by the Cooperative University of Colombia.

The head of the country's highest-ranking financial auditing office said that corruption in our country has accomplished what the guerrillas were unable to do in many years: make the people lose faith in their institutions.

He added that no one believes in Congress, the assemblies, or the judges because they perceive that those in charge of the government take care of their own interests first and the interests of others later. "I have always said that if this continues, the government will dissolve in front of our eyes because no one will defend it," he added.

Becerra Barney went so far as to say that when we observe the atrocious act of shutting down Congress, which is the forum of democracy in the country, then the people will no longer come out to defend it because Colombians have the impression that those in office are not doing their duty.

However, he added that, paradoxically enough, Colombians do believe in the Office of Comptroller General because if they make a mistake or commit some crime against the administration, they have to answer for it.

Visits by the Comptroller's Office scare public officials. They once laughed them off knowing that the visits accomplished nothing. This new reality has probably helped restore the credibility of auditing agencies and make officials less arbitrary in how they handle resources. They now go by the rules, the comptroller said.

In Becerra Barney's opinion, one of the oldest myths in Colombia is that the coast is the most corrupt area of the country.

He denied that this is so. There are no champions of corruption in Colombia. The worst corruption may be in Bogota, which is the country's main center of major contracts. What has happened is that there has always been an attempt to make people believe that coastal dwellers are crooks, which is not true. The "champions" are not to be found here, but in Bogota, he added.

Becerra appealed for cooperation from the citizenry in order to exercise more control. All Colombians must report any violations that they see or when they observe some official behaving dishonestly.

He announced that in the days ahead, an open line will be set up so that people may phone in their reports and tell where the evidence can be found. The Comptroller's Office will then launch its investigation.

Ecuador

Industry Minister: Country To Join GATT

PA2709140493 Quito Voz de los Andes in Spanish 1200 GMT 23 Sep 93

[From the "The Voz Andes Newscast"]

[Text] Jorge Garcia Torres, industry, commerce, and integration minister, said Ecuador's adherence to GATT is a fact and the formalities are being taken care of so the country can join this international organization. Garcia, upon his return from the Rio Group meeting, said Ecuador is following the procedures to join GATT, although no specific date has been set for the country to join. If it does not do so this year, it will during the first quarter 1994 at the latest. The minister said that Ecuador's decision to continue the procedures to join GATT is an important step within the economic opening process, trade liberalization, modernization, and state reform.

Paraguay

Wasmosy Arrives in New York, Meets With Clinton

PY2709200293 Asuncion ABC COLOR in Spanish 27 Sep 93 p 14

[Text] President Juan Carlos Wasmosy talked briefly with U.S. President Bill Clinton yesterday. He said the U.S. President promised full support for the Paraguayan democracy. Clinton expressed optimism for our country's future, adding that he wants the democratic institutions to be strengthened and preserved.

Wasmosy arrived in New York yesterday. He will participate in the UN General Assembly in that city. Wasmosy was accompanied by his Bolivian counterpart Gonzalo Sanchez de Lozada, who joined the Paraguayan delegation in Santa Cruz, where the plane carrying the Paraguayan president made a short stopover.

The Paraguayan head of state arrived at the John F. Kennedy Airport at approximately 1730. He was received by a delegation of Paraguayan residents in New York, comprising some 100 individuals carrying Paraguayan, Colorado Party, and Liberal Party flags. Wasmosy went to greet his party followers and Domingo Laino, who is a member of the national delegation, did likewise with his party followers.

President Wasmosy and Foreign Minister Diogenes Martinez later participated in a reception offered by U.S. President Bill Clinton at the Waldorf Astoria Hotel. The reception was also attended by other heads of states and foreign ministers. During the reception, President Clinton appealed to all heads of state to embark in a head-on fight against drug trafficking and to consolidate the democratic systems.

Clinton also spoke about the importance of the North American Free Trade Agreement (NAFTA) signed between his country, Mexico, and Canada and asked for the best possible support for the initiative. Clinton expressed his belief that democratic governments must try hard to work together.

To Discuss Government Priorities

PY2709195893 Asuncion ABC COLOR in Spanish 27 Sep 93 p 16

[Text] In his first appearance before the UN General Assembly as president of our country, engineer Juan Carlos Wasmosy will discuss his government's main guidelines at this world forum. In the political field, the government intends to enhance and establish democracy within Paraguayan society, with the effective participation of all inhabitants of our Republic.

Wasmosy also intends to wage an all-out war against corruption, no matter the form, seeking to create a safer and more just society for all. The government intends to comply with all constitutional provisions, because the government's authority stems from the Constitution. The government will abide by the Constitution, respecting the judicial branch's independence so as to create a trusting, safe, and just society.

In the economic field, Wasmosy intends to organize society based on individual enterprise and the development of free enterprise in which the state will not compete in productive or commercial activities. The government will redefine the role of the state, encouraging competition and the society's capabilities.

Another goal of the Paraguayan president involves protecting the ecology, fostering a harmonious development, and assessing environmental and health impact before making any decisions. Another priority for the current government involves an all-out struggle against drug trafficking and drug-related crimes.

The president told the journalists that solving the Pilcomayo River issue is another priority for the Wasmosy government. The president guaranteed that international organizations will provide assistance in a project to restore this basin. Wasmosy said that the other priorities involve the Paraguay-Parana waterway, the paving of the Transchaco highway, and integration to grow jointly.

He pointed out that, in addition to participating in the UN General Assembly, he will attempt to arouse U.S. investors' interest in directing capitals toward Paraguay.

based on the facilities offered by his government. Wasmosy noted: "We must seek economic stability so as to achieve political stability."

Presidents Discuss Projects at Santa Cruz Summit

PY2709213093 Asuncion HOY in Spanish 26 Sep 93 pp 2, 3

[Report by Estela Valdes and Carolina Perez]

[Text] Paraguayan President Juan Carlos Wasmosy stressed the importance of granting priority to the private sector while encouraging bilateral trade between Bolivia and Paraguay. He made this remark after signing the Bolivian-Paraguayan joint declaration in Santa Cruz. In turn, Bolivian President Gonzalo Sanchez de Lozada stressed that the agreements signed by the two presidents will attempt to solve poverty problems and overcome the obstacles that so far have prevented the development of a technological revolution in the two countries.

The Paraguayan and Bolivian Governments signed their commitment for cooperation in different areas. The two governments' interest in promoting international trade will be shown with the construction of the trans-Chaco highway and the Paraguay-Parana waterway. According to both presidents' remarks, these projects will speed up the Paraguayan and Bolivian entry into the international market.

The two presidents stressed the need for the private sector to support these programs. Sanchez de Lozada said that the scientific technical cooperation agreement in health and animal production was one of the most important items of the joint declaration. Paraguay's President Juan Carlos Wasmosy agreed with Sanchez de Lozada, stressing that the agreement will benefit production and will put both countries in condition to compete in the international livestock market.

Wasmosy mentioned the possibility of Bolivia joining the Common Market of the South [Mercosur] through our country, adding that Bolivia, in turn, might open the doors for Paraguay to join the Andean Pact. The two presidents agreed to do everything possible to complement the two countries' industrial development in order to optimize bilateral trade.

Sanchez de Lozada said: "Within this framework, the determinant and unifying role must be played by private entrepreneurs from both countries, who are invited to compete within the cover of the facilities offered by the state." The two presidents admitted that these projects need support from the private sector. Entrepreneurs, in turn, accepted the challenge, according to statements made by some businessmen who attended the ceremony.

The document contemplates the sustainable development of the Chaco region in order to face the problems caused by drought. The presidents expressed the intention to begin studies for the construction of a dam to regulate Pilcomayo River in order to control water flow and irrigate the zone. The program contemplates the preservation of the ecosystem and preventing its degradation. "It is noteworthy that the presidential declaration places special emphasis on the idea of taking advantage of our rivers," the Bolivian president said.

Sanchez then mentioned the Pilcomayo River basin program that will permit agricultural development in both countries and the Paraguay-Parana waterway, which will become a highway for river transportation.

At the end of the ceremony President Juan Carlos Wasmosy delivered a document to his Bolivian counterpart permitting Bolivian nationals to enter Paraguay with Bolivian identity cards alone. In "reciprocity," the Bolivian Government announced it was elaborating a document granting Paraguayan nationals the same treatment.

Bolivian President Calls Paraguay 'Drug Route'

PY2709200993 Asuncion HOY in Spanish 27 Sep 93 p 3

[Excerpt] New York—Bolivian President Gonzalo Sanchez de Lozada has said that Paraguay is a drug trafficking route. The Bolivian president, "an illustrious last-minute passenger," boarded the Paraguayan plane in Santa Cruz.

Sanchez de Lozada held a news conference with Paraguayan reporters at 10,000 meters altitude. Asked why he avoided mentioning the issue of the documents recently signed with his Paraguayan counterpart in Bolivia, Sanchez said: "It is not worth talking about these things until you can identify concrete measures and you have seen that the documents we signed are very specific."

"During our conversations we realized the we still do not have a clear policy for an adequate understanding on these matters. We know there is a lot of danger in Paraguay because traffickers use the country to export the drugs. Bolivia produces drugs but we are not sure we are ready to establish a precise policy. [quotation marks as published]

Asked whether his country will join Mercosur [Common Market of the South], Sanchez jokingly answered that Bolivia feels like "Dona Flor and Her Two Husbands" [A well-known Brazilian film] being already a member of the Andean Group. [passage omitted]

Government Communique Promises To Fight Corruption

PY2709220993 Asuncion NOTICIAS in Spanish 27 Sep 93 p 3

[Text] New York—The Paraguayan Government intends "to firmly combat corruption in all forms," seeking to create a safe and fair society for all. This is stated in a memorandum, in which the Paraguayan Government presents its government plans and intentions, that was delivered to the White House chief of

protocol and to some U.S. financial sector representatives, who are currently in New York.

"The present Paraguayan Government coexists with the rules of democracy. As an example we can mention that the Senate and the Chamber of Deputies are controlled by the opposition and their chairmen belong to the second political force in the country," the communique states.

The current administration intends to comply with the constitutional mandates "from where it obtained its authority and to which it is subject, respecting the independence of the judicial branch in order to create a safe and fair society." The communique adds that in the economic field the Paraguayan Government maintains the principle of organizing society based on private initiative and the free development of enterprises in which the government will not compete with productive or trade activities. The role of the state will be redefined by encouraging competitiveness and improving society in general.

The document, delivered yesterday to the U.S. Government and people, also states that the Paraguayan Government's objectives include preserving the ecology and encouraging harmonic development. It guarantees that the state will evaluate impacts on the environment and health before making any decisions. Among its priorities, the Paraguayan Government will carry out a total war against drug trafficking and the crimes connected with it.

As for international relations, "the Paraguayan Government will try to turn its presence in the U.N. organizations into a sustained commitment for a dynamic and active participation in favor of our national development." Paraguay seeks to improve its relations with the United States, giving priority to increasing and diversifying exports, transferring technology, and scientific, cultural, and economic cooperation to consolidate democracy.

The Paraguayan Government "also intends increasing its trade ties, seeking to attract capital investments and joint ventures. Regarding this point, there is total guarantee and a clear commitment on behalf of the government for its total concretion," the Paraguayan Government communique states.

It was learned that aides close to President Bill Clinton also received a copy of this communique in which the administration headed by President Juan Carlos Wasmosy expresses its plans and intentions.

Commentator Views New Role of Entrepreneurs

PY2709200593 Asuncion NOTICIAS in Spanish 26 Sep 93 p 10

[Commentary by Jose Nicolas Morinigo entitled "Entrepreneurs, Power, and Code"]

[Text] The Labor Code is just a pretext for something much more complex in the minds of a group of national entrepreneurs; they are seeking to establish their political hegemony. To use a more simple and traditional expression; "they want to rule," that is, to do what they think must be done. During the dictatorship, this group enjoyed benefits from the lack of freedom, even though they had to lower their heads to the dictator. Hegemony, in its original version of power by force, was at that time imposed by the state bureaucracy.

Today, this bureaucracy is losing power rapidly and it is being replaced by a new social group: entrepreneurs. During the dictatorship this same group, with a few exceptions, expressed admiration for government works and solved social tension with a telephone call to the labor section of the Investigative Police, but it is about to discover that there is a Labor Code. This code was never respected because the orders that came from above always overruled the law. This group of entrepreneurs now views the law seriously and feels threatened, but it does not face the situation in a rational way, equating its interests with those of other sectors of society trying to reach some kind of peaceful coexistence. These entrepreneurs base their position on a basic sense of domination, which is revealed by their interminable visits to the president of the Republic.

I do not know who said we are in a worse situation than Vietnam when it comes to attracting capital, but he might be right. I would even say that we are in a worse situation than Cuba, but for a different reason: We do not have clear, stable, and short or medium-term regulations for those who might want to invest in the country.

Let us just imagine a theoretical situation. An investor wants to build a textiles factory in Paraguay and seeks information on labor laws and labor law prospects. The consultant will be forced to state the following: 1. The Labor Code was vetoed by the former president; 2. A strong group of entrepreneurs wants to eliminate the Code; and 3. We do not know what the rules of the game will be in the short and medium term. It is obvious that when confronted with this answer the potential investor will probably decline to open his textile factory. Insecurity and the lack of clear rules of the game are the most serious obstacles to attract capital to our country. Can any honest person admit that a modern investor will be scared by the idea of paying minimum salaries, respecting union leaders' job stability rules, or accepting the workers right to strike? Only entrepreneurs who seek to revive capitalist schemes typical of the first decades of the industrial era can consider this dangerous for their investments.

Entrepreneurs are losing their calm because they are getting close to the power center. This is a new experience for them and they want to conquer, not based on a reasonable agreement, but based on an imposition where they make it clear that there is a new hegemonic group in power. A position typified by the expression "we give the

orders" is taking our social coexistence to dangerous levels. It is time to calm down and to talk peacefully.

Peru

Fujimori Leaves for UN General Assembly

PA2709132993 Mexico City NOTIMEX in Spanish 2058 GMT 26 Sep 93

[Text] Peruvian President Alberto Fujimori flew to New York today for a week of official activities starting Monday that will include his participation at the 48th UN General Assembly. The Peruvian president was accompanied by Foreign Minister Efrain Goldenberg, Economy Minister Jorge Camet, and Justice Minister Fernando Vega.

Official spokesmen did not rule out the possibility of a private meeting between Fujimori and U.S. President William Clinton during a reception scheduled by the White House chief on Monday in New York, where the U.S. president will also attend the General Assembly session. The South American president said he will also be the guest of honor at the world conference on children on Thursday. Fujimori will hold a series of meetings and interviews with various U.S. business groups interested in Peru's economic and financial situation.

On 1 October, Fujimori will speak at the United Nations about the "deep changes" enacted by his government after three years in power, according to the sources, which also pointed out that he will seek support for alternative development programs in terms of the war on drugs.

He will attempt to regain the trust of the international community following the self-inflicted coup on 5 April 1992, when Fujimori dissolved the legislature, judicial branch, and other autonomous entities with the support of the Armed Forces.

The spokesmen said that during his stay in New York, the president will radiate "Peru's new image." He will emphasize the restoration of democracy, the peace process, the fight against subversives, and economic stability.

Between 27 and 30 September, Fujimori will hold meetings with representatives of commercial banks and multilateral credit organizations such as the World Bank and the International Monetary Fund regarding the renegotiation of Peru's foreign debt.

Fujimori on Armed Forces Day, Peace Effort

PA2809021293 Lima Global de Television Network in Spanish 0100 GMT 25 Sep 93

[From the "Direct Line" newscast]

[Text] President Alberto Fujimori participated in a luncheon for Comraderie at the Army Training and Doctrine Command, Coinde, marking Armed Forces Day. Seated at the table of honor with the president was General Nicolas Hermoza Rios, the commander of the Armed Forces Joint Command, who addressed the high command of the three forces represented there. He highlighted the work carried out by the security forces.

The president then took the podium. He began his speech by stressing that the military forces' efforts deserve the respect and admiration of all Peruvians, because of the victories in the fight against terrorism, particularly during the last 12 months.

[Begin Fujimori recording] We can say we are closing one phase in the enormous task of bringing peace to the country. Now we must begin another. This time we must sharpen our tools of strategy against terrorism. We will need even greater intelligence and greater community participation in order to wage the final battle against terrorism with unrestricted respect for human rights.

I congratulate the members of the Armed Forces and encourage them to continue working for Peru, as they have up to now, with loyalty and sacrifice. Long live the Armed Forces. [crowd shouts: "Viva!"] Long live Peru. [crowd shouts: "Viva!"] [end recording]

Uruguay

Minister To Present Economic Program to IMF

PY2709163993 Montevideo Radio El Espectador Network in Spanish 0930 GMT 27 Sep 93

[Text] Economy and Finance Minister Ignacio de Posadas will meet on 29 September with IMF Western Hemisphere Director (Esther Baeza) to whom he will present the main guidelines of the economic program that the Uruguayan Government intends to implement until the completion of its term. This was pointed out in Washington by members of the Uruguayan delegation attending the annual meeting of the IMF and World Bank.

It has been confirmed that the program is based on a yearly 27-percent devaluation, a 30-percent consumer price increase, and balancing the public accounts for 1994. Concerning salaries, the program contemplates a nominal 33-percent increase in the public sector and a 31-percent increase in the private sector.

It was also mentioned that during the discussions scheduled to begin on 29 September the Uruguayan representatives will have to convince the IMF experts and officials that the program is credible.

The IMF staff [preceding word in English] is concerned about the sustained growth of Uruguayan public spending and the government's inability to implement structural reforms.

Venezuela

Velasquez Meets With Defense Minister, Others

PA2709221193 Caracas Venezolana de Television Network in Spanish 1550 GMT 27 Sep 93

[From "The News" newscast]

[Text] President Ramon J. Velasquez spoke with Defense Minister Vice Admiral Radames Munoz Leon at the government palace on the Army's actions and role within our democratic system.

A great deal of activity was reported during the weekend at the presidential palace. Several Venezuelan political figures visited the president, among them former President Rafael Caldera. Caldera stated outside of the government palace that he does not consider the military's situation as delicate. He said that he is confident the elections will be held as scheduled in December.

The president and Caldera also discussed during their meeting Dr. Caldera's position on the national agreement proposed by President Velasquez. Regarding this issue, the leader of the opposition coalition noted the need for a constitutional reform in order to create new government positions.

[Begin Caldera recording] I do not think it is necessary to sign a document to support Velasquez. One's word is enough. Do you recall that in the old times in this country people said their word was like a document? Men's words have more value than the agreements signed in the Elliptical Room, for instance, which have been criticized by all sectors of the population. [end recording]

The president also met with Oswaldo Alvarez Paz, presidential candidate of the Social Christian Party, Copei. Regarding the statements by the defense minister on the protest march by university students staged on 23 September, Alvarez Paz stated that such statements fall within the framework of the law. He ruled out the possibility of a coup attempt.

Congress President Octavio Lepage, who also visited Miraflores Palace, explained after speaking to the president that military officers should not engage in polemics, because that adversely affects institutions. Meanwhile, Interior Minister Carlos Delgado Chapellin highlighted that there is no doubt as to who is the leader of the Republic.

[Begin Delgado recording] There is no justification to state that there are several powers in Venezuela, because they do not exist. The defense minister is clear about this, and he accepts and abides by the decision of the president of the Republic. [end recording]

Minister 23 Sep Remarks Response

PA2709193193 Caracas Venezolana de Television Network in Spanish 0026 GMT 27 Sep 93

[Text] President Ramon J. Velasquez has referred to a controversial statement made by Defense Minister Radames Munoz regarding the 23 September incidents during a march of university students.

[Begin Velasquez recording] Minister Munoz told me that his controversial style, the strong tone of some of his speeches and the fact that he is not used to dealing with the media, could have led to situations he would not promote and which are not in line with his past behavior and oath. He also told me that he recognizes that the head of state is the nation's highest authority and consequently holds the rank of commander in chief of the Armed Forces, according to the Constitution. He added that his intention is to cooperate with the government, of which he is a member, until the December elections. He clarified that any interpretation given to his words about dual power or confrontation of powers was neither in his mind nor in his attitude. [end recording]

President Velasquez made that statement on 26 September at Miraflores Palace, where he met with Congress President Octavio Lepage, Interior Minister Carlos Delgalo Chapellin, and presidential candidates Oswaldo Alvarez Paz and Rafael Caldera. The meetings will continue on 27 September with the rest of the candidates and other prominent personalities.

Government Issues Communique on Salaries

PA2809044493 Caracas Venezolana de Television Network in Spanish 2350 GMT 23 Sep 93

[Communique issued by the Venezuelan executive branch; from the "The News" newscast—read by Ramon Espinoza, minister of the Secretariat of the Presidency; monitored in progress]

[Text] ...regarding salaries, the executive branch makes the following declaration:

1. The national government is dedicating efforts to define and implement mechanisms that may allow an alleviation of the budget deficit. The efforts for drafting the law decrees authorized by the enabling legislation will allow the National Treasury to present, within the next few months, a less critical situation than the current one.

2. The national government is interested in attending the obligations it has with public employees and guarantees dignified salaries in accordance with the degree of training and performance of the duties assigned to each public employee.

However, the executive branch cannot make commitments regarding salaries without the corresponding financial support from the budget. Under no criteria will the national government make decisions that represent

financial obligations that may compromise the development of the future government and represent a worsening of the budget crisis.

Furthermore, the executive branch will not make decisions regarding the salaries of its personnel that could create unnecessary distortions within the national labor market, such as the definition of minimum wages.

3. The executive branch, after comparative studies between the public administration and the labor market, has designed a new salary scale with a budget impact that is tolerable for the National Treasury and which is in accordance with an acceptable level of remuneration.

This scale will go into effect beginning 1 January 1994 with an initial remuneration of 35,000 bolivares [per month] for newly entered professionals. It is also established that the initial basic salary for administrative personnel will be of 15,000 bolivares [per month].

We must point out the fact that these new salaries will sufficiently compensate the expected inflation beyond January 1994.

4. Within the national interest in attending to the needs of the public employees and in accordance with the current budget possibilities, during the current year a special compensation unique bond [bono unico], of an amount to be set by each organization, will be granted in accordance with the budget allowances. It is understood that the new scales only cover administrative, technical, and professional officials.

5. The national executive branch considers that the current situation of the country demands understanding for the Venezuelan State's limitations for attending to the demands of the diverse sectors.

The decisions made on salary matters are understood to be circumstantial. Whereas, the problems brought up by the public employees will only be solved through a broader policy with regard to which the country will have to make a statement, and which point out the need for the immediate modification of the role and the size of the State.

We believe and understand that, with this satisfaction we are giving the administrative, technical, and professional officials of the public administration, there is no reason to continue to disturb the activities at the administration's different corps. Therefore, as of this moment, we will understand that all actions in this regard will be against the legal dispositions and the government will enforce the respect for the work, the freedom to work, and the freedom to voluntarily attend the public administration corps.

Candidate Alvarez Paz Accuses Caldera of Duplicity

PA2809042393 Caracas EL NACIONAL in Spanish 24 Sep 93 p D-2

[Report by Cesar Alvarez]

[Text] Barinas (Exclusive)—Oswaldo Alvarez Paz accused former President Rafael Caldera of double dealing in national affairs by saying he will follow IMF policies while affirming here that if these were his thoughts, he would be betraying those who believe in him.

Alvarez Paz said Caldera turned out to be more of a cheater than Carlos Andres Perez himself and that the representatives of the World Bank, the magazine THE ECONOMIST, and Chemical Bank had been right in warning that the MAS [Movement for Socialism] candidate spoke with a forked tongue. He says one thing in Venezuela and another in the great international forums, where he asserts he agrees "with the economic adjustment programs implemented in several Latin American countries," Alvarez Paz said.

Alvarez Paz said that currently the country does not know what to believe. Caldera's main economic adviser, Julio Sosa Rodriguez, said at the Carnegie Foundation, created to study worldwide economic problems, that should they be elected they would not change Perez' package at all.

Asked by journalists about support for him as a candidate offered in public by Herminio Fuenmayor, former DIM [Directorate of Military Intelligence] chief, Alvarez Paz said he learned of this backing from the media. Fuenmayor is a Venezuelan, just like everybody else. He can vote on 5 December for whomever he wants, Alvarez Paz said. He declined to discuss the matter any further and instead expressed satisfaction with the support for his presidential aspirations that MAS national leader Juvencio Pulgar offered him.

Alvarez Paz said he appreciated Pulgar's support for his candidacy because he regards the MAS leader a veteran politician, an earnest Venezuelan, an upright citizen, and above all else, an old friend, whom he has confronted several times, the last time was last year, when the two men vied for the Zulia State governorship.

Asked about the alleged Armed Forces unrest, Alvarez Paz said some have tried to play politics with the Armed Forces. He said the Armed Forces should continue to receive support and solidarity because there are many things at stake for the Venezuelans, including the purity and honesty of the coming electoral process. We must reject any and all attempts at discrediting and casting shadows on the honor of the high-ranking officers in command of the Armed Forces, he said.

Candidate Ojeda Valenzuela Discusses Agenda

PA2709211093 Caracas EL UNIVERSAL in Spanish 23 Sep 93 pp1, 16

[Report by Mirna Mendoza]

[Text] General Nelson Ojeda Valenzuela (retired), presidential candidate for the People's Independent Force [Fuerza Popular Independiente—FPI], is proposing to bring order to the country. His being a general trained for work and discipline is his guarantee, he stated. He said that in a government headed by him there will be respect, order, and security, which are, at any rate, the least the people demand.

Ojeda, accompanied by FPI President Rafael Tudela, has visited EL UNIVERSAL to explain his main policies and measures he will adopt if elected. First, he said, we must create a new society, "and for that I have taken on the challenge of a peaceful rebellion. I promise to unmask many charlatans and put things in order."

The retired general said he had the backing that 28 years of service in the Armed Forces can give. "In addition, there are my relations with the Land Transportation Surveillance Corps and my opposition to corruption in the MTC [Communications and Transportation Ministry], in which then minister Fernando Martinez Mottola was involved. I devoted myself to the country when I retired from active duty two and one-half years ahead of time."

[Mendoza] What are you offering the country that makes your candidacy different from the other presidential candidates?

[Ojeda] There are four status quo candidates, representing more of the same and a step backward in the history of the country. I am offering the Sublime Venezuela [Sublime Venezuela] Project with the following principles: We are a nationalist, independent, and national movement. We believe the country will be built through work, justice, and intelligence. He commented that Venezuelans' most serious problem "is the lack of ethics and morals of our leaders," and he said we must declare Venezuela as the big project of the people.

Ojeda proposed choosing the best people to join his government and in this respect he has prepared a computer program, where Venezuelans who feel they have the capacity and talent to hold public office may send their application. "The computer will cite who are the best five or 10 Venezuelans to hold a post. We will pick the ideal candidate for each from that roster."

Suriname

Protest Campaign Announced; Economic Effort Urged

BR2709172693 Amsterdam DE VOLKSKRANT in Dutch 25 Sep 93 p 3

[Unattributed article: "Bouterse Threatens Action Against Venetiaan"]

[Text] The Hague/Paramaribo—National Democratic Party (NDP) Chairman D. Bouterse has threatened to launch an action campaign to bring down the Venetiaan government as of 4 October. The former army leader said on Thursday evening [23 September] at an NDP meeting that from that date Suriname would be hermetically sealed off from the outside world and that the schools would be closed. The campaign will continue until its objective has been reached.

According to Bouterse, the Surinamese people have decided that the government must now go, since economic problems are growing continuously. "This government was legitimately chosen but that support has now disappeared. The people will force out the government," Bouterse said, adding that an NDP "crisis team" would follow up the actions permanently.

DA'91 [Democratic Alternative '91], the second big opposition party in Suriname, has also announced a campaign to bring down the Venetiaan government. DA'91 member of parliament W. Jessurun said that the time was right for mobilizing the people. His party's campaign is against education and the Surinamese energy utility. The government has announced large increases in energy prices for next month. DA'91's protest actions will be carried out independently of those of Bouterse's NDP.

Netherlands Prime Minister Ruud Lubbers has written a letter to Venetiaan about the economic situation in Suriname. According to the prime minister, the Surinamese Government must do more to get the country's economy "running smoothly."

The prime minister praised Venetiaan's policy as regards the restoration of the rule of law and democracy. The president "has made considerable progress with great courage and wisdom" in these fields, according to the prime minister. But Lubbers asked him to "make an extra effort" to get the Surinamese economy out of trouble.

The Netherlands, which has largely stopped its financial aid, is "fully prepared" to help Suriname, but not before the government in Paramaribo has taken "structural measures" which give a perspective of economic recovery and growth.

Early October the Netherlands Parliament will discuss the so-called Framework Treaty, which lays down rules for cooperation between the Netherlands and Suriname. Lubbers wrote that he was confident that parliament would approve the treaty. In recent weeks, members of parliament have severely criticized Suriname's economic policy. In addition, they were extremely irritated by the recent bribery affairs in Suriname.